



August 21, 2024

Re: **Executive Board Meeting: Wednesday, August 28th at 2:00 p.m.**
Board of Directors Meeting: Thursday, August 29th at 10:00 a.m.

Dear IMEA Board of Directors:

IMEA Board meetings have returned to their pre-pandemic format with in-person quorums and voting required at the IMEA offices in Springfield. Remote access to the meeting is available for listening purposes only using the Microsoft Teams webinar system and that information is on the bottom of the agendas.

Of interest this month, we will accept and approve new IMEA Power Sales Contracts/Capacity Purchase Agreements for three municipals which have received approval from their respective governing bodies.

In addition to the regular series of reports, IMEA Staff will also consider the approval of the solar generation projects in Carmi, Highland and Metropolis along with Winnetka's request for a waiver of the one-year requirement to install replacement generation. Approval of the vacancy on the IMEA Executive Board will also be considered, and IMEA Staff will provide an update on negotiations for the Power Purchase Agreement for 150MW of solar.

Jodi Dobson from Baker Tilly will report in person on the recent annual financial audit results. The Audit Report is attached along with the Communication Letter, and Chris Wise has hard copies of these documents available in his office. The Financial Reports from May and June 2024 are also attached for your review.

Please feel free to contact me should you have questions and stay safe!

Sincerely,

Kevin M. Gaden
President & CEO

Attachments

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
EXECUTIVE BOARD MEETING
Wednesday, August 28 @ 2:00 p.m.**

Manner of Attendance: Participation in this meeting will be available in person only for both members and the general public. There will be an opportunity for public comment in person at the meeting. In addition, as an accommodation to Board members that cannot physically attend and the general public, a webinar broadcast of the meeting will be available live in listen-only mode.

AGENDA

Call to Order
Roll Call
Approval of Minutes – 6/26/24
Opportunity for Public Comment

Old Business

1. Consideration and Approval of Executive (Closed) Session Minutes
2. Update on Solar Projects
3. Discussion on Baseload Plant Decommissioning Fund Considerations
4. Update on Legal Matters
5. Other old business

New Business

1. Resolution #24-08-924 – Approving IMEA Power Sales Contract/Capacity Purchase Agreement for the City of Carlyle for the Period Beginning October 1, 2035 Through May 31, 2055
2. Resolution #24-08-925 – Approving IMEA Power Sales Contract/Capacity Purchase Agreement for the City of Red Bud for the Period Beginning October 1, 2035 Through May 31, 2055
3. Resolution #24-08-926 – Approving IMEA Power Sales Contract for the Village of Riverton for the Period Beginning October 1, 2035 Through May 31, 2055
4. Resolution #24-08-927 - Approving Solar Generation Projects in the Cities of Carmi, Highland and Metropolis
5. Approval of Appointment to Fill Vacancy on IMEA Executive Board
6. Resolution #24-08-928 – Approving Limited Waiver for the Village of Winnetka Regarding the IMEA Member Generation Policy
7. Update on Negotiations for Power Purchase Agreement for 150MW Solar
8. Other new business
9. Adjourn

Calling for a motion to go into Executive Session for one of the following reasons:

- Discussion of IMEA litigation
- Discussion of the purchase, sale or delivery of electricity
- Discussion of personnel matters

WEBINAR PARTICIPATION - Please use the link below to register:

<https://events.gcc.teams.microsoft.com/event/290ef385-3199-47dc-bef2-14435167a43c@244964f4-143f-41af-a3ee-b94b50296820>

After registering, you will receive a link via email to join the meeting. Should you have any questions regarding this process, please reach out to Glenn Cunningham or Adam Baker at (217) 789-4632.

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
BOARD OF DIRECTORS MEETING
Thursday, August 29, 2024 @ 10:00 a.m.**

Manner of Attendance: Participation in this meeting will be available in person only for both members and the general public. There will be an opportunity for public comment in person at the meeting. In addition, as an accommodation to Board members that cannot physically attend and the general public, a webinar broadcast of the meeting will be available live in listen-only mode.

AGENDA

Call to Order
Pledge of Allegiance
Roll Call
Approval of Minutes – 12/6/23 and 6/27/24
Opportunity for Public Comment
Treasurer’s Report
President & CEO Report
 a. Legislative update

Old Business

1. Consideration of Executive (Closed) Session Minutes
2. Update on Operations
3. Update on Prairie State
4. Update on Local Generation/Transmission
5. Update on Solar Projects
6. Update on Legal Matters
7. Other old business

New Business

1. Consideration & Approval of FY23/24 Fiscal Audit by Baker Tilly Virchow Krause, LLP
2. Resolution #24-08-924 – Approving IMEA Power Sales Contract/Capacity Purchase Agreement for the City of Carlyle for the Period Beginning October 1, 2035 Through May 31, 2055
3. Resolution #24-08-925 – Approving IMEA Power Sales Contract/Capacity Purchase Agreement for the City of Red Bud for the Period Beginning October 1, 2035 Through May 31, 2055
4. Resolution #24-08-926 – Approving IMEA Power Sales Contract for the Village of Riverton for the Period Beginning October 1, 2035 Through May 31, 2055
5. Resolution #24-08-927 - Approving Solar Generation Projects in the Cities of Carmi, Highland and Metropolis
6. Approval of Appointment to Fill Vacancy on IMEA Executive Board
7. Resolution #24-08-928 – Approving Limited Waiver for the Village of Winnetka Regarding the IMEA Member Generation Policy
8. Update on Negotiations for Power Purchase Agreement for 150MW Solar
9. Other new business
10. Adjourn

Calling for a motion to go into Executive Session for one of the following reasons:

- Discussion of IMEA litigation
- Discussion of the purchase, sale or delivery of electricity
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**ILLINOIS MUNICIPAL ELECTRIC AGENCY
SPECIAL MEETING OF THE BOARD OF DIRECTORS
ILLINOIS MUNICIPAL ELECTRIC AGENCY
DECEMBER 6, 2023**

A Special Meeting of the IMEA Board of Directors was held at the IMEA headquarters building, 3400 Conifer Drive, Springfield on December 6, 2023.

Chairman Sheehy called the meeting to order on Wednesday, December 6, 2023 at 2:00 p.m. Roll call was taken which showed a quorum was present. Sheehy stated that pursuant to the Open Meetings Act, any person in attendance at a meeting should be permitted an opportunity to comment. He then asked if anyone would like to make a comment and hearing none, the meeting continued.

At that time, General Counsel Troy Fodor asked for a motion to go into Executive Session for discussion of the purchase, sale or delivery of electricity. Brian Keys moved to go into Closed Session, seconded by John Tolan. A roll call vote showed all in favor. The meeting was closed to the public pursuant to Section 2(c)(23) of the Open Meetings Act, 5 ILCS 120/2(c)(23) at 2:05 p.m. The meeting returned to Open Session at 5:32 p.m. by a motion from Larry Taylor, seconded by Dan Cook. The motion carried by unanimous roll call vote.

At 5:33 p.m., Pat Barry moved for adjournment of the meeting, seconded by Josh Eckart. The voice vote showed unanimous approval.

Respectfully submitted,

Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
SPECIAL MEETING OF THE IMEA BOARD OF DIRECTORS
DECEMBER 6, 2023**

MEMBERS PRESENT

Altamont	Larry Taylor
Bethany	Shannon Risley
Breese	Jason Deering
Bushnell	Joe Fosdyck
Carlyle	Brad Myers
Carmi	David Coston
Chatham	Pat McCarthy
Fairfield	Mayor Gary Moore
Farmer City	Sue McLaughlin
Flora	Bob Coble
Freeburg	John Tolan
Greenup	Mike Ryder
Highland	Dan Cook
Ladd	Pat Barry
Marshall	Cory Sheehy
Naperville	Brian Groth
Princeton	Jeff Mangrich
Rantoul	Jake McCoy
Red Bud	Josh Eckart
Rock Falls	Dick Simon
St. Charles	Pete Suhr
Sullivan	Mike Kirk
Waterloo	Tim Birk
Winnetka	Brian Keys

MEMBERS ABSENT

Cairo	Vacant
Casey	Shelby Biggs
Mascoutah	Jesse Carlton
Metropolis	Michael Gentry
Oglesby	Mayor Jason Curran
Peru	Eric Carls
Riverton	Jim Mileham
Roodhouse	Vacant

OTHERS PRESENT

IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Chris Wise
IMEA	Alice Schum
IMEA	Staci Wilson
IMEA	Rakesh Kothakapu
IMEA	Mike Genin
IMEA	Tammy Hall

ILLINOIS MUNICIPAL ELECTRIC AGENCY

REPORT OF EXECUTIVE BOARD MEETING

WEDNESDAY, JUNE 26, 2024

A regularly scheduled meeting of the Executive Board of the Illinois Municipal Electric Agency was held in person pursuant to proper notice at the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois on June 26, 2024. Chairman Cory Sheehy called the meeting to order at 2:00 p.m. Roll call was taken which showed a quorum was present. Participation in this meeting was available in person only for both members and the general public, however, as an accommodation to members that could not physically attend and the general public, a webinar broadcast of the meeting was made available live in listen-only mode.

The Report of April 24, 2024 was moved for approval by Pat McCarthy and seconded by Pete Suhr. The motion carried by unanimous roll call vote.

Opportunity for Public Comment: Chairman Cory Sheehy stated that pursuant to the Open Meetings Act, any person attending this meeting shall be permitted an opportunity to comment. Questions during the rest of the meeting are reserved for Board members. He then asked if anyone from the public would like to make a comment. Hearing none, Chairman Sheehy proceeded with the meeting.

OLD BUSINESS

Update on Solar Projects – Eric Weinant explained that IMEA is partnering with SolAmerica to take advantage of USDA PACE partially forgivable loans for behind the meter solar projects. He reported that there are still outstanding issues with the Power Purchase Agreements for Carmi, Highland and Metropolis; however, IMEA Staff continues to work on getting those issues resolved for those projects. Weinant explained that Rantoul was not able to find another solar site for this project; however, another member has suggested City-owned land as a possible alternative site. SolAmerica and member staff are in preliminary negotiations; however, USDA would need to approve a “transfer” of the Rantoul request to a different city.

Weinant reported that the City Councils for Marshall, Princeton and Oglesby had approved the Easements, Siting and Interconnection Agreements for these behind the meter solar projects. He stated that Altorfer had received documents for Marshall and Princeton and the prep work on those sites is expected to start after July 4th with an anticipated completion date by the end of the year. Oglesby is expected to be online by Spring of 2025.

Weinant reported on the major roadblocks in obtaining large utility scale projects which included finding an appropriately sized project, the increasing costs due to tariffs, insurance, EPC & labor, land costs and interconnection costs along with the surge of interconnection queue requests which have overloaded the RTOs. Weinant discussed the demand in these projects with the surge in data centers. Weinant also discussed that in order to achieve IMEA Staff’s goals regarding the IMEA Sustainability Plan, IMEA Staff will be seeking the Board’s endorsement to finalize terms of a 150MW Power

Purchase Agreement later in the meeting and will likely seek the Board's approval of a formal contract in the August Board meeting.

Update on Legal Matters – General Counsel Troy Fodor reported on the following matters:

- New Federal EPA Final Rule on CO2 Emissions – Issued May 9, 2024, new rules require all existing baseload coal plants to reduce carbon emissions by 90% by January 1, 2032; coal plants retiring by 2039 must be equipped with 40% natural gas co-firing capability by 2030 and all coal-fired generators and new CT generators planning to run beyond 2039 must have Carbon Capture and Storage/Sequestration (CCS) installed. States must submit emissions guideline plans to the EPA within 24 months of the final rule's publication. Legal challenges have been filed by 27 State Attorney Generals' offices, trade associations (including APPA), IOUs, co-ops, generator owners and labor unions. PSGC's CEO (on behalf of Prairie State) and IMEA's CEO (on behalf of LG&E) have both submitted impact Declarations.
- Building for the Future Through Electric Regional Transmission Planning and Cost Allocation (FERC Order 1920) (Docket No. RM21-17) – Issued on May 13, 2024 and effective August 12, 2024, the final rule mandates that transmission providers must engage in 20-year long-term planning processes with assessments done on the plan every 5 years. Transmission projects will be evaluated and identified based on specific reliability factors and scenarios. To develop each scenario, transmission planners must incorporate specific categories of factors that affect long-term transmission needs, including Federal, State, Tribal and local laws; load-serving entity supply plans; trends in fuel costs; planned generation retirements; interconnection requests and withdrawals along with policy goals and corporate commitments. FERC Order 1920 also requires measuring benefits and selection of projects; cost allocation and containment; local planning, competition and implementation by June 2025. Order 1920 did not adopt a previously suggested federal right of first refusal for incumbent transmission owners.
- Applications for Permits to Site Interstate Electric Transmission Facilities (Docket No. RM22-7) - Issued May 13, 2024 and effective July 29, 2024, the final rule (FERC Order 1977) mandates new regulations for issuing backstop siting permits for transmission projects in national interest electric transmission corridors. Order 1977 addresses obstacles to developing new transmission infrastructure; aligns with Federal Infrastructure Investment and Jobs Act amendments to the Federal Power Act. These changes were implemented so projects can be approved faster and to encourage public engagement with FERC siting permit applicants. FERC can issue permits for a transmission project when it falls in an area designated by the DOE and if the permitting state does not approve the siting within one year of the developer's application to the state. FERC can also issue permits for transmission projects when the permit applicant does not serve end-use customers in the State the permit is sought. This Order sets forth a Code of Conduct for permit applicants using eminent domain and requires permit applicants to develop and file a Project Participation Plan prior to the permit application that outlines how the applicant will inform the local public.
- Remand of MISO 2015/16 Zone 4 Capacity Auction Remand (Docket Nos. EL15-70; EL15-71 & EL15-72) – Complaints were filed by Public Citizen, Inc., the State of Illinois and Southwestern Electric Cooperative, Inc. in May 2015. FERC originally entered an Order on July 19, 2019 stating that there was no market manipulation in MISO's 2015/16 Zone 4 capacity auction which the Appellate Court reversed on August 6, 2021. FERC set the matter for paper hearing and received briefs from interested parties. The FERC Office of Enforcement staff filed a Remand Report alleging that Dynegy exercised market power to manipulate the market. On June 6, 2024, FERC

set the matter for trial and suspended the trial phase for settlement negotiations. Staff will monitor the proceedings for any impact on IMEA or its Members.

- MISO Resource Adequacy Filing (Docket No. ER23-2977) – Filed September 29, 2023, MISO proposed changes to the Resource Adequacy construct to include a reliability-based demand curve. On April 23, 2024, FERC staff issued a second Deficiency Letter to MISO. MISO answered the letter on May 13, 2024. FERC has not yet ruled on the matter. Graphs were presented showing the proposed sloped demand curve by season peak load.
- MISO Resource Accreditation filing (Docket No., ER24-1638) – Filed on March 28, 2024, MISO wants to change how it accredits resources due to a changing resource mix and changing load profiles in the RTO region. A two-step methodology will be used to accredit resources for future MISO auctions and to determine resource adequacy for load serving entities. On April 29, 2024, IMEA filed a Limited Protest against MISO’s accreditation methodology citing that gas and oil generation are not similar enough to be lumped together and requested that FERC issue a Deficiency letter. If approved, this filing will reduce how much IMEA’s BTMG oil generators will be accredited and make it more difficult for IMEA to meet capacity requirements.
- Ameren Illinois Depreciation Filing (Docket No. EL23-2445) – Filed July 20, 2023, Ameren’s transmission depreciation expenses would increase transmission costs to all ratepayers. A Settlement in Principle was reached on May 14, 2024 which included a reduction of depreciation expenses for ratemaking purposes, changes to Ameren’s depreciation accounting methodology and a moratorium on depreciation rate hikes for at least 3 years. Ameren is not allowed to hike rates for at least 3 years after the settled rates are made effective. IMEA will receive refunds for rates paid as proposed and future transmission rates will increase less than proposed.
- ComEd Transmission Rate Update – Filed April 24, 2024, the Revenue Requirement increased due to 2023 plant additions, reliability and system performance projects and depreciation expenses. The Coincident Peak in ComEd system increased 1,204MW over last year’s peak. The total impact on IMEA is projected to be a 4.7% decrease in ComEd transmission rates. The new revenue requirement will be effective June 1, 2024 through May 31, 2025. Rates will change again in January 2025 when peak loads are adjusted.
- Soltage Complaint against ComEd (ICC Docket No. 23-0675) – Filed September 29, 2023, this is a Complaint against ComEd’s solar generation interconnection costs that substantially deviated from estimates. It is alleged that ComEd used unjust/unreasonable methods in Distributed Energy Resource impact studies leading to elevated costs and that cost prohibitive upgrades should not be imposed and it violated the Illinois Public Utilities Act. ComEd filed a Motion on March 7, 2024 requesting the Complaint be dismissed with prejudice. The ALJ denied in its entirety ComEd’s Motion to Dismiss on May 10 and a hearing is scheduled for July 25, 2024.
- West Pana Solar Complaint against Ameren Illinois (ICC Docket No. 24-0379) – Filed May 24, 2024, West Pana is developing an ≈5MW solar array between Taylorville and Pana in central Illinois and Ameren is requesting \$5.325 million for system upgrades. Ameren is requiring a direct connection to the Pana North substation and would need to build a 34.5 kV tie line in order to connect directly to Pana North. West Pana argues that there are commercially available control technologies that could be used instead of building a tie line. Prehearing conferences were held June 18, 2024.
- Chatham SERC Registration – IMEA Staff has been working with Chatham, its consultant and CWLP on reliability compliance documentation to support Chatham’s registration with SERC as a Transmission Owner. Final edits to operating procedures between Chatham and CWLP are in progress. Upon final approval of the operating procedures, Chatham will formally register as a

Transmission Owner with SERC and IMEA will begin the process with SERC to deregister as a distribution provider for Chatham.

- Inherent Risk Assessment – IMEA received notice to complete an Inherent Risk Assessment of reliability compliance from SERC. The initial questionnaire responses were submitted on April 19, 2024 and a SERC response was received on June 16, 2024 with no adverse findings or requirements.
- Winnetka Replacement Capacity Credits Request – Winnetka’s Unit #4 is no longer in service and is officially retired. The Village is requesting a waiver of the 12-month replacement policy which is required in the current Member Generation Policy. Staff is recommending granting this waiver due to supply chain and labor limitations. Staff will be setting up a Generation Committee meeting to review this request and gain a recommendation for the Board to consider at an upcoming Board meeting.
- PJM Risk Management Policy Request – PJM requested updates be made to MEA’s Risk Policy so as to include “Anti-Money Laundering and “Know Your Customer” provisions. There is nothing listed in the PJM Tariff or Business Practice Manuals which makes this mandatory, so many public power PJM participants have had concerns. PJM agreed to work with IMEA to formulate appropriate language for the policy. Staff will likely be asking for approval at the August Board meeting.

NEW BUSINESS

CEO Gaden announced that today was a very important day in IMEA’s history reporting that 10 IMEA members had already approved all of the contract documents keeping IMEA as their wholesale power supplier until 2055 and 10 more IMEA members are seeking approval today. He thanked all those members for their confidence in IMEA to provide reliable, affordable and sustainable power supply to their communities for many decades to come.

Resolution #24-06-913 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Breese for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Breese unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their April 16th City Council meeting. John Tolan moved to recommend the approval of Resolution #24-06-913 to the full Board at tomorrow’s Board meeting. The motion was seconded by Pete Suhr and carried by unanimous roll call vote.

Resolution #24-06-914 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Rock Falls for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Rock Falls unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their April 16th City Council meeting. Brian Groth moved to recommend the approval of Resolution #24-06-914 to the full Board at tomorrow’s Board meeting. The motion was seconded by David Coston and carried by unanimous roll call vote.

Resolution #24-06-915 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Farmer City for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Farmer City unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their May 6th City Council meeting. Mike Kirk moved to recommend the

approval of Resolution #24-06-915 to the full Board at tomorrow's Board meeting. This motion was seconded by John Tolan and carried by unanimous roll call vote.

Resolution #24-06-916 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Sullivan for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Sullivan approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their May 2nd City Council meeting. Pat McCarthy moved to recommend the approval of Resolution #24-06-916 to the full Board at tomorrow's Board meeting. The motion was seconded by Pete Suhr and was carried by unanimous roll call vote with the exception of the abstention by the City of Sullivan.

Resolution #24-06-917 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Waterloo for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Waterloo unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their May 20th City Council meeting. Cory Sheehy moved to recommend the approval of Resolution #24-06-917 to the full Board at tomorrow's Board meeting. The motion was seconded by Pat McCarthy and carried by unanimous roll call vote.

Resolution #24-06-918 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Highland for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Highland unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their May 20th City Council meeting. Mike Kirk moved to recommend the approval of Resolution #24-06-918 to the full Board at tomorrow's Board meeting. The motion was seconded by Brian Groth and carried by unanimous roll call vote.

Resolution #24-06-919 – Accepting and Approving New Power Sales Contract for the Village of Bethany for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Bethany unanimously approved the IMEA Power Sales Contract at their June 13th Village Board meeting. John Tolan moved to recommend the approval of Resolution #24-06-919 to the full Board at tomorrow's Board meeting. The motion was seconded by Pete Suhr and carried by unanimous roll call vote.

Resolution #24-06-920 – Accepting and Approving New Power Sales Contract for the Village of Chatham for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Chatham unanimously approved the IMEA Power Sales Contract at their May 28th Village Board meeting. Brian Groth moved to recommend the approval of Resolution #24-06-920 to the full Board at tomorrow's Board meeting. This motion was seconded by Mike Kirk and carried by unanimous roll call vote with the exception of the abstention by the Village of Chatham.

Resolution #24-06-921 – Accepting and Approving New Power Sales Contract for the City of Metropolis for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Metropolis unanimously approved the IMEA Power Sales Contract at their June 6th City Council meeting. David Coston moved to recommend the approval of Resolution #24-06-921 to the full Board at tomorrow's Board meeting. The motion was seconded by Pat McCarthy and carried by unanimous roll call vote.

Resolution #24-06-922 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the Village of Freeburg for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Freeburg unanimously approved the IMEA Power Sales Contract and the

Capacity Purchase Agreement at their June 17th Village Board meeting. Pete Suhr moved to recommend the approval of Resolution #24-06-922 to the full Board at tomorrow's Board meeting. This motion was seconded by David Coston and carried by unanimous roll call vote with the exception of the abstention by the Village of Freeburg.

Ordinance #24-06-923 – Approving the Amendment and Extension of Line of Credit with PNC and related Subordinated Indebtedness – Chris Wise reported that the current line of credit expires on October 31, 2025. He explained that PNC Bank has offered to extend the current line of credit with a small increase in the fee on the unused balance and the same interest rate mechanism on draws. The terms are from September 3, 2024 through October 31, 2027. He explained that this 24-month extension of the term favors IMEA to complete its anticipated 2025 Bond refinancing. Wise stated that IMEA's financial advisor (PFM) recommended the extension offered by PNC Bank. Staff recommends the approval of authorizing and providing for an amendment and extension of a line of credit agreement and related Subordinated Indebtedness as evidenced by a \$50,000,000 Taxable Subordinated Indebtedness Revenue Note for certain corporate purposes of the IMEA. Brian Groth moved to approve Ordinance #24-06-923. The motion was seconded by David Coston and carried by unanimous roll call vote.

Consideration and Approval of Amending Resolution #24-02-896 to Correct Scrivener's Error – Troy Fodor explained that the open period for new Power Sales Contracts was presented to the Board as March 1, 2024 through April 30, 2025, although the date noted in Resolution #24-02-896 was May 31, 2025 as the end date. Fodor stated that the May 31 date was in error and should be April 30, 2025. All other terms and conditions included in Resolution #24-02-896 remain the same. Staff recommends amending Resolution #24-02-896, specifically Section 3, to reflect April 30, 2025 as the final date in which the offer of the new contract is open and will not be offered beyond that date without authorization from the IMEA Board of Directors. John Tolan moved to approve amending Resolution #24-02-896. The motion was seconded by Pete Suhr and carried by unanimous roll call vote.

Consideration and Approval for Authority to Proceed with Negotiations of Power Purchase Agreement for 150MW from New Solar Project – Eric Weinant explained that IMEA's load is largely served by existing assets, but IMEA has higher resource needs in the summer than in the winter. He stated that solar resources provide better coverage of IMEA's summer on-peak energy needs than other renewable options moving forward. Weinant reported that based on IMEA's Sustainability Plan and IMEA's long-term resource needs, IMEA Staff forecasted needing 130MW. He also stated that by acquiring 150MW of solar, IMEA will largely eliminate the need to procure short-term bilateral energy and capacity for several years and noted that resource decisions in 2030 when the Lee Dekalb wind contract expires can be revisited based on IMEA's load obligation beyond 2035.

CEO Kevin Gaden discussed how IMEA has sought to add large scale solar to IMEA's portfolio for a few years, but has been delayed by RTO transmission queue bottlenecks, supply chain and mineral rights issues. He reported that this project is 150MW in total size and the supplier is only willing to offer the full 150MW. Gaden explained that IMEA seeks to purchase all of the energy, capacity, ancillary services and Renewable Energy Credits (RECs) related to this project. He stated that this project is located in the Ameren Illinois service territory and already has a signed Generator Interconnection Agreement with Ameren and MISO with an expected project completion date of December 31, 2026. Gaden noted that credit support for Pre-Commercial Operation and the full term

of the transaction will be provided via cash or letter of credit and the proposed vendor is a proven national supplier of renewable energy projects. He reported that IMEA has signed a Non-Disclosure Agreement at the request of the counter-party to protect the specific terms of the proposed transaction.

At that time, CEO Gaden asked for a motion to go into Executive Session for discussion of the purchase, sale or delivery of electricity. John Tolan moved to go into Closed Session, seconded by David Coston. A roll call vote showed all in favor. The meeting was closed to the public pursuant to Section 2(c)(23) of the Open Meetings Act, 5 ILCS 120/2(c)(23) at 3:54 p.m. The meeting returned to Open Session at 5:02 p.m. by a motion from Brian Groth, seconded by Pat McCarthy. The motion carried by unanimous roll call vote.

CEO Gaden summarized the reasons why IMEA Staff should continue to negotiate towards a final Power Purchase Agreement (PPA) with the proposed developer of this 150MW utility scale solar project in the Ameren IL region. These reasons included that it is a planned outcome of the IMEA 2024 Sustainability Plan to add 130MW by the end of 2026; it brings needed summer capacity to IMEA's portfolio; it brings on-peak energy resources to MISO/Ameren area needed by IMEA; and the project is ready for the construction phase soon with reasonable terms and conditions to execute a final PPA along with a financial commitment. Gaden stated that the IMEA Board would be asked to formally approve the final PPA in an upcoming Board meeting. John Tolan moved for a motion to authorize the CEO to proceed with negotiations for 150MW of solar. Brian Groth seconded the motion and it carried by unanimous roll call vote.

Chairman Cory Sheehy asked for a motion to adjourn the meeting. The motion was made by Pat McCarthy, seconded by Cory Sheehy and carried unanimously by voice vote. The meeting was adjourned at 5:05 p.m.

Respectfully submitted,

Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
EXECUTIVE BOARD MEETING
WEDNESDAY, JUNE 26, 2024**

MEMBERS PRESENT

Carmi	David Coston
Chatham	Pat McCarthy
Freeburg	John Tolan
Marshall	Cory Sheehy
Naperville	Brian Groth
St. Charles	Peter Suhr
Sullivan	Mike Kirk

MEMBERS ABSENT

Farmer City	Sue McLaughlin
Highland	Dan Cook

OTHERS PRESENT

Altamont	Larry Taylor
Breese	Jason Deering
Cairo	Mayor Thomas Simpson
Winnetka	Brian Keys
IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Chris Wise
IMEA	Mandy Ripperda
IMEA	Staci Wilson
IMEA	Mike Genin
IMEA	Rakesh Kothakapu
IMEA	Glenn Cunningham
IMEA	Adam Baker
IMEA	Jaken Hicks
IMEA	Danny Chung
IMEA	Rodd Whelpley
IMEA	Eric Weinant
IMEA	Jonathon Wygant
IMEA	Tia Horn
IMEA	Tammy Hall
Guest	Raheel Arshed (Naperville)

LISTEN ONLY VIA WEBINAR

Flora	Bob Coble
Princeton	Jeff Mangrich
Red Bud	Josh Eckart
Guest	Greg Hubert (Naperville)

ILLINOIS MUNICIPAL ELECTRIC AGENCY

REPORT OF BOARD OF DIRECTORS MEETING

THURSDAY, JUNE 27, 2024

A regularly scheduled meeting of the Board of Directors of the Illinois Municipal Electric Agency was held in person pursuant to proper notice at the IMEA headquarters building, 3400 Conifer Drive, Springfield, Illinois on June 27, 2024. Chairman Cory Sheehy called the meeting to order at 10:00 am and all attendees participated in the Pledge of Allegiance. Roll call was taken which showed a quorum was present. Participation in this meeting was available in person only for both members and the general public, however, as an accommodation to members that could not physically attend and the general public, a webinar broadcast of the meeting was made available live in listen-only mode.

Larry Taylor, seconded by Jason Deering moved for approval of the minutes of April 25, 2024. The motion carried by unanimous roll call vote with the exception of the abstention from the representative from Cairo.

Opportunity for Public Comment – Chairman Sheehy stated that pursuant to the Open Meetings Act, any person attending this meeting in person shall be permitted an opportunity to comment. He then asked if anyone from the public would like to make a comment. Hearing no requests for public comment, Chairman Sheehy proceeded with the meeting.

Treasurer's Report – Chris Wise announced that IMEA Staff Accountant Katherine Nelson had passed the CPA exam. He then reported on the April 2024 financials stating that actual member power costs are 3.8% under original budget, year to date, and the MWh sales to members is 5.3% below original budget. He gave a year-end summary stating that the average cost was 3.8% below original budget that was approved in February 2023. He also stated that the average cost excluding transmission was 4.3% less than it was for FY2013/2014 and that IMEA continues to be consistently under budget on average cost. Wise reported that the May 2024 invoices had been sent out on June 10th with the average cost being 5.9% below budget. He also discussed the June 2024 preliminary invoice estimates stating that those invoices would be sent out on July 10th and due on July 22nd. With there being no questions, Brian Keys moved to approve the Treasurer's Report, seconded by Jake McCoy. The roll call vote showed all in favor.

President & CEO Report – CEO Gaden announced that 10 more IMEA members had approved all of the contract documents keeping IMEA as their wholesale power supplier until 2055 in addition to the 10 members contracts that were approved at the April IMEA Board meeting. He stated that several more members have plans to approve contracts in their upcoming City Council meetings. He thanked all those members for their confidence in IMEA to provide reliable, affordable and sustainable power supply to their communities for many decades to come.

CEO Gaden welcomed Mayor Thomas Simpson as the new Board Member representing the City of Cairo, Cody Hawkins as the new Board member representing the City of Mascoutah and Larry Hanrahan representing the City of Rock Falls. Gaden gave an update on staffing transitions which

included Mandy Ripperda as the new VP of Electric Operations, Sean McCarthy as the new Manager of Electric Operations and Jon Wygant as the Energy Services Representative. He reported that Tia Horn is the new Senior Accountant with Katherine Nelson as the new Staff Accountant. Gaden explained that IMEA Staff has begun the search for a media communications person with legislative experience to join the Member Services Department with plans to fill the position in late Summer/early Fall 2024. He also stated that Staci Wilson will become the VP of Government Affairs and Member Services when Mike Genin retires in January 2025.

CEO Gaden reported on a successful IMEA/IPEA/IMUA Annual Conference in May. The conference sessions and banquet were well attended wherein several members were recognized for overall system safety and elected officials were honored for their service to the agencies.

Regarding a National update, CEO Gaden stated that three new FERC nominees were recommended by the Committee and confirmed by the U.S. Senate on June 13, 2024. These new commissioners are Judy Chang, Lindsay See and David Rosner which now makes a total of 5 seats on the FERC. FERC has 5 seats when they are at maximum voting capability.

Legislative & Regulatory Update – Staci Wilson reported that Illinois SB 3597 pertains to the Climate Bank Loan Financing Act and allows governmental units to borrow from the Illinois Finance Authority (IFA) for purposes of clean energy infrastructure projects. This bill also allows governmental units to issue debt to evidence their obligation to repay loans from the IFA. She noted that the IFA envisions lending federal funds to governmental units for clean infrastructure projects at attractive rates and conditions and would be structured similar to the IEPA State Water Revolving Fund. IMEA is supportive of this legislation. The bill passed both chambers and now goes to the Governor’s desk.

Wilson discussed Illinois SB 1289 Carbon Capture & Sequestration (CCS) bill which pertains to the process and regulations of capturing facility permitting & criteria pollutants. IMUA was neutral on this legislation. It passed both the House and Senate and awaits the Governor’s signature.

Wilson reported on the Federal Grid Resilience Grant (40101(d)), explaining that IMEA Staff had received IMUA approval to pursue a grant from the Illinois Finance Authority (IFA) for an Emergency Equipment Share Program for mutual aid. IMUA is applying for funding for an emergency equipment share program to provide an inventory of critical distribution system equipment for municipal utilities to draw upon during emergency outages. She reported that the Illinois Finance Authority (IFA) Climate Bank released a Notice of Funding Opportunity. IMUA has submitted a pre-application to receive grant funding and is now awaiting approval. She thanked the IMUA members in the working group which include Freeburg, Batavia, Springfield CWLP, Highland and Princeton. Wilson stated that, if approved, Staff would be seeking a future IMEA and IMUA Board vote to accept any grant offer.

OLD BUSINESS

Operations – Mandy Ripperda gave an update on the PJM auction stating that the 3rd Incremental Auction for Planning Year 24/25 was re-run in mid-May and the results were posted about one week before the Planning Year began. She presented a schedule for future auctions and noted that PJM plans to be back on schedule by May 2026 for Planning Year 29/30. Regarding summer readiness,

Ripperda reported that PJM expects to meet the summer demand for 2024; however, PJM has stated that continuing generator retirements and increasing demand continues to erode the reserve levels. She also discussed the PJM Demand Response/Load Management Program noting that the lead time is 30 minutes for participants to either have generation online or to curtail load. She explained that PJM is scheduling two-hour annual tests for registered generation for the entire zone this summer. PJM will give notice within a 10-day window on their website, another notice one day ahead of the test and 30 minutes notice of the actual test time using their Demand Response Hub Messages Program.

Ripperda gave an update on the MISO auction stating that results were posted in April for Planning Year 24/25 and that this was the second year that MISO has conducted a seasonal auction. Regarding summer readiness, she reported that MISO forecasts they will have sufficient capacity under probable demand, but will have to rely on Load Modifying Resources (LMRs) and operating reserves in high demand scenarios. MISO reported an almost 30% decrease in available surplus from last summer. Ripperda discussed the results of the Organization of MISO States (OMS) annual survey which reported that for Planning Year 25/26, there will be a 2.7GW deficit which will grow to a 14.4GW deficit by 2029.

Ripperda reported that according to EIA reports, wind generation has declined in 2023 for the first time since the 1990's. This is consistent with Staff's findings which report that Green River fell 13.5% and Lee DeKalb fell 14.4% from FY23 to FY24. The EIA report noted that wind generation output decreased the most in the upper Midwest.

Ripperda reported that the Illinois Commerce Commission held a summer preparedness webinar in May and that MISO and PJM were among those who presented. PJM presented a graph showing a significant increase in the summer peak demand due to data centers and Artificial Intelligence (AI). She also reported on the IMEA Summer Readiness webinar held on June 4th which covered the IMEA emergency communications and preparation considerations for Member communities.

Ripperda reported that URGE testing began on June 3rd and should be completed by mid-July. Lastly, she stated that IMEA Operations is planning to conduct a summer drill which will be a two-hour event and power plants will be called the morning of the event.

Trimble County (TC): Rakesh Kothakapu reported the following:

- An employee lost consciousness for a few seconds while having blood drawn for an onsite wellness checkup. This was a non-work related reportable incident. The plant performance through May 2024 shows the EAF was $\approx 97.23\%$ and the EFOR was $\approx 0.13\%$, both year to date. Unit 1 had a brief outage in May to replace the primary boiler circulating pump and send it to a fabrication shop for repairs. Later in June, the back-up pump also failed leading to a derate on the unit for a week. Unit 2 was available for full load without any outages in May. TC Staff continues to evaluate options for the stack replacement. They are working with Kiewit to complete the preliminary engineering design. The project is currently in the front-end engineering phase. The detailed scope and construction timeline of the project will not be known until fall. The proposed construction for the stack is scheduled to begin in Spring of 2025. The bottom ash pond is completely dewatered and will be backfilled in the fall.

Prairie State (PSGC): Rakesh Kothakapu reported the following activities:

- Four contract employees were exposed to coal dust while working in a silo installing scaffolding on Unit 1. An OSHA inquiry was initiated, although it was closed a few hours later due to the steps taken by PSGC staff to verify safety procedures and adding valves to isolate any future recurrence of this event. Both projects continue to emphasize safety and continue to encourage employees and contractors to report near misses. Plant performance through May 2024 showed the EAF was $\approx 92.8\%$ and the EFOR was $\approx 7.05\%$, both year to date. Unit 1 had a couple of tube leaks in May in high volume areas of the boiler and PSGC staff is planning to address corrosion in these areas in the fall. Unit 2 had an outage in April and ran full load in May. The Lively Grove north entrance to the mine is now operational which will improve mine productivity by reducing travel time. There has been no update on carbon capture since the last report. PSGC staff continues to evaluate all options, but there is no commitment from PSGC or its owners at this time.

Local Transmission and Generation – Rakesh Kothakapu reported on the following:

- Winnetka – Steam Unit Replacement – IMEA received official notice from Winnetka that Unit 4 is no longer in service and has retired. The Village is in the preliminary engineering phase to replace this unit and has formally requested a waiver of the 1-year replacement policy. IMEA Staff plans to recommend the waiver to the IMEA Board for its approval in August.
- Oglesby – Wholesale Connection Agreement (WCA) and Construction Agreement (CA) – The City approved both documents and Ameren is finalizing those documents for FERC filing. The WCA is a three-party agreement between the members, Ameren and IMEA. IMEA Staff will review the WCA with individual members regarding specific issues that may apply to their community. A webinar is scheduled for July 16th at 10:00 am with Ameren interconnected members to go over WCA terms and provisions. An informational email with webinar registration details was sent out earlier this week.
- Flora CAAP Permit – IMEA received the renewal CAAP permit from the Illinois EPA (IEPA) and staff is working with IEPA staff to clarify some minor references.
- Waterloo – The City is exploring the option of adding additional generation to match its peak load. IMEA Staff met with the City to better understand their plans and will convene the Member Generation Committee to review Waterloo's request and seek recommendations for future generation needs of Waterloo and the Agency.
- Ameren Network Customer Operating Committee (NOC) Meeting – Engineering and Operations staff met with Ameren to discuss status of ongoing projects with members, WCA timeline and implementation, working towards compliance of MISO rule changes involving Members' BTMG and the ability of IMEA and Members to allow for export of generation. IMEA's primary contact at Ameren Todd Maston is retiring in September 2024 and will be replaced by Brian Cuffle.

Capacity Credits for Member-Owned BTMG – Rakesh Kothakapu discussed inquiries from members regarding the consideration of higher compensation to install new generation or replace existing generation. He explained that in addition to supplying the Agency with capacity and energy, member generation also provides local black start capabilities during storms and grid instability along with providing local infrastructure needs such as water/sewer pumping backup. Kothakapu stated that IMEA reimburses for the fuel when these units are dispatched by IMEA. He discussed that a compensation mechanism should also consider fairness arising from IMEA members paying these

costs and not owning generation since 19 members have generation and 13 do not. He stated that IMEA Staff feels consideration of increasing the production component should be discussed to reflect the ongoing cost of maintenance and overall long-term market value of these resources. Staff also believes that all dedicated resources should get paid the base component over a period of time – the new IMEA Power Sales Contract sets a \$3.20/KW-month floor for all resources, no later than October 2035.

Kothakapu explained that the idea is to transition to higher compensation levels before 2035 by gradually increasing the production component to reflect higher costs of operating these facilities and to gradually create a floor on the Base component so everyone gets paid the \$2/KW-month base component that would set a phased in transition that would begin next fiscal year (FY2025/26).

Regarding future capacity considerations, Kothakapu reported that there is likely value in allowing non-dedicated resources to become dedicated to IMEA and if members decide to replace resources by installing higher efficiency resources, there is an opportunity for higher compensation if the Agency can call on units more often in certain market conditions. Finally, he stated that some members have expressed interest in adding additional resources and there is likely value in these resources becoming dedicated to IMEA. IMEA Staff will review these proposals with the IMEA Generation Committee and bring a recommendation to the full board once the Generation Committee has a recommendation to provide.

Update on Solar Projects – Eric Weinant explained that IMEA is partnering with SolAmerica to take advantage of USDA PACE partially forgivable loans for behind the meter solar projects. He reported that there are still outstanding issues with the Power Purchase Agreements for Carmi, Highland and Metropolis; however, IMEA Staff continues to work on getting those issues resolved for those projects. Weinant explained that Rantoul was not able to find another solar site for this project; however, another member has suggested City-owned land as a possible alternative site. SolAmerica and member staff are in preliminary negotiations; however, USDA would need to approve a “transfer” of the Rantoul request to a different city.

Weinant reported that the City Councils for Marshall, Princeton and Oglesby had approved the Easements, Siting and Interconnection Agreements for these behind the meter solar projects. He stated that Altorfer had received documents for Marshall and Princeton and the prep work on those sites is expected to start after July 4th with an anticipated completion date by the end of the year. Oglesby is expected to be online by Spring of 2025.

Weinant reported on the major roadblocks in obtaining large utility scale projects which included finding an appropriately sized project, the increasing costs due to tariffs, insurance, EPC & labor, land costs and interconnection costs along with the surge of interconnection queue requests which have overloaded the RTOs. Weinant discussed the demand in these projects with the surge in data centers. Weinant also discussed that in order to achieve IMEA Staff’s goals regarding the IMEA Sustainability Plan, IMEA Staff will be seeking the Board’s endorsement to finalize terms of a 150MW Power Purchase Agreement later in the meeting and will likely seek the Board’s approval of a formal contract in the August Board meeting.

Update on Legal Matters – General Counsel Troy Fodor reported on the following matters:

- New Federal EPA Final Rule on CO2 Emissions – Issued May 9, 2024, new rules require all existing baseload coal plants to reduce carbon emissions by 90% by January 1, 2032; coal plants retiring by 2039 must be equipped with 40% natural gas co-firing capability by 2030 and all coal-fired generators and new CT generators planning to run beyond 2039 must have Carbon Capture and Storage/Sequestration (CCS) installed. States must submit emissions guideline plans to the EPA within 24 months of the final rule’s publication. Legal challenges have been filed by 27 State Attorney Generals’ offices, trade associations (including APPA), IOUs, co-ops, generator owners and labor unions. PSGC’s CEO (on behalf of Prairie State) and IMEA’s CEO (on behalf of LG&E) have both submitted impact Declarations.
- Building for the Future Through Electric Regional Transmission Planning and Cost Allocation (FERC Order 1920) (Docket No. RM21-17) – Issued on May 13, 2024 and effective August 12, 2024, the final rule mandates that transmission providers must engage in 20-year long-term planning processes with assessments done on the plan every 5 years. Transmission projects will be evaluated and identified based on specific reliability factors and scenarios. To develop each scenario, transmission planners must incorporate specific categories of factors that affect long-term transmission needs, including Federal, State, Tribal and local laws; load-serving entity supply plans; trends in fuel costs; planned generation retirements; interconnection requests and withdrawals along with policy goals and corporate commitments. FERC Order 1920 also requires measuring benefits and selection of projects; cost allocation and containment; local planning, competition and implementation by June 2025. Order 1920 did not adopt a previously suggested federal right of first refusal for incumbent transmission owners.
- Applications for Permits to Site Interstate Electric Transmission Facilities (Docket No. RM22-7) - Issued May 13, 2024 and effective July 29, 2024, the final rule (FERC Order 1977) mandates new regulations for issuing backstop siting permits for transmission projects in national interest electric transmission corridors. Order 1977 addresses obstacles to developing new transmission infrastructure; aligns with Federal Infrastructure Investment and Jobs Act amendments to the Federal Power Act. These changes were implemented so projects can be approved faster and to encourage public engagement with FERC siting permit applicants. FERC can issue permits for a transmission project when it falls in an area designated by the DOE and if the permitting state does not approve the siting within one year of the developer’s application to the state. FERC can also issue permits for transmission projects when the permit applicant does not serve end-use customers in the State the permit is sought. This Order sets forth a Code of Conduct for permit applicants using eminent domain and requires permit applicants to develop and file a Project Participation Plan prior to the permit application that outlines how the applicant will inform the local public.
- Remand of MISO 2015/16 Zone 4 Capacity Auction Remand (Docket Nos. EL15-70; EL15-71 & EL15-72) – Complaints were filed by Public Citizen, Inc., the State of Illinois and Southwestern Electric Cooperative, Inc. in May 2015. FERC originally entered an Order on July 19, 2019 stating that there was no market manipulation in MISO’s 2015/16 Zone 4 capacity auction which the Appellate Court reversed on August 6, 2021. FERC set the matter for paper hearing and received briefs from interested parties. The FERC Office of Enforcement staff filed a Remand Report alleging that Dynegy exercised market power to manipulate the market. On June 6, 2024, FERC set the matter for trial and suspended the trial phase for settlement negotiations. Staff will monitor the proceedings for any impact on IMEA or its Members.

- MISO Resource Adequacy Filing (Docket No. ER23-2977) – Filed September 29, 2023, MISO proposed changes to the Resource Adequacy construct to include a reliability-based demand curve. On April 23, 2024, FERC staff issued a second Deficiency Letter to MISO. MISO answered the letter on May 13, 2024. FERC has not yet ruled on the matter. Graphs were presented showing the proposed sloped demand curve by season peak load.
- MISO Resource Accreditation filing (Docket No., ER24-1638) – Filed on March 28, 2024, MISO wants to change how it accredits resources due to a changing resource mix and changing load profiles in the RTO region. A two-step methodology will be used to accredit resources for future MISO auctions and to determine resource adequacy for load serving entities. On April 29, 2024, IMEA filed a Limited Protest against MISO’s accreditation methodology citing that gas and oil generation are not similar enough to be lumped together and requested that FERC issue a Deficiency letter. If approved, this filing will reduce how much IMEA’s BTMG oil generators will be accredited and make it more difficult for IMEA to meet capacity requirements.
- Ameren Illinois Depreciation Filing (Docket No. EL23-2445) – Filed July 20, 2023, Ameren’s transmission depreciation expenses would increase transmission costs to all ratepayers. A Settlement in Principle was reached on May 14, 2024 which included a reduction of depreciation expenses for ratemaking purposes, changes to Ameren’s depreciation accounting methodology and a moratorium on depreciation rate hikes for at least 3 years. Ameren is not allowed to hike rates for at least 3 years after the settled rates are made effective. IMEA will receive refunds for rates paid as proposed and future transmission rates will increase less than proposed.
- ComEd Transmission Rate Update – Filed April 24, 2024, the Revenue Requirement increased due to 2023 plant additions, reliability and system performance projects and depreciation expenses. The Coincident Peak in ComEd system increased 1,204MW over last year’s peak. The total impact on IMEA is projected to be a 4.7% decrease in ComEd transmission rates. The new revenue requirement will be effective June 1, 2024 through May 31, 2025. Rates will change again in January 2025 when peak loads are adjusted.
- Soltage Complaint against ComEd (ICC Docket No. 23-0675) – Filed September 29, 2023, this is a Complaint against ComEd’s solar generation interconnection costs that substantially deviated from estimates. It is alleged that ComEd used unjust/unreasonable methods in Distributed Energy Resource impact studies leading to elevated costs and that cost prohibitive upgrades should not be imposed and it violated the Illinois Public Utilities Act. ComEd filed a Motion on March 7, 2024 requesting the Complaint be dismissed with prejudice. The ALJ denied in its entirety ComEd’s Motion to Dismiss on May 10 and a hearing is scheduled for July 25, 2024.
- West Pana Solar Complaint against Ameren Illinois (ICC Docket No. 24-0379) – Filed May 24, 2024, West Pana is developing an ≈5MW solar array between Taylorville and Pana in central Illinois and Ameren is requesting \$5.325 million for system upgrades. Ameren is requiring a direct connection to the Pana North substation and would need to build a 34.5 kV tie line in order to connect directly to Pana North. West Pana argues that there are commercially available control technologies that could be used instead of building a tie line. Prehearing conferences were held June 18, 2024.
- Chatham SERC Registration – IMEA Staff has been working with Chatham, its consultant and CWLP on reliability compliance documentation to support Chatham’s registration with SERC as a Transmission Owner. Final edits to operating procedures between Chatham and CWLP are in progress. Upon final approval of the operating procedures, Chatham will formally register as a Transmission Owner with SERC and IMEA will begin the process with SERC to deregister as a distribution provider for Chatham.

- Inherent Risk Assessment – IMEA received notice to complete an Inherent Risk Assessment of reliability compliance from SERC. The initial questionnaire responses were submitted on April 19, 2024 and a SERC response was received on June 16, 2024 with no adverse findings or requirements.
- Winnetka Replacement Capacity Credits Request – Winnetka’s Unit #4 is no longer in service and is officially retired. The Village is requesting a waiver of the 12-month replacement policy which is required in the current Member Generation Policy. Staff is recommending granting this waiver due to supply chain and labor limitations. Staff will be setting up a Generation Committee meeting to review this request and gain a recommendation for the Board to consider at an upcoming Board meeting.
- PJM Risk Management Policy Request – PJM requested updates be made to IMEA’s Risk Policy so as to include “Anti-Money Laundering and “Know Your Customer” provisions. There is nothing listed in the PJM Tariff or Business Practice Manuals which makes this mandatory, so many public power PJM participants have had concerns. PJM agreed to work with IMEA to formulate appropriate language for the policy. Staff will likely be asking for approval at the August or October Board meeting.

NEW BUSINESS

CEO Gaden announced that today was a very important day in IMEA’s history reporting that 10 IMEA members had already approved all of the contract documents keeping IMEA as their wholesale power supplier until 2055 and 10 more IMEA members are seeking approval today. He thanked all those members for their confidence in IMEA to provide reliable, affordable and sustainable power supply to their communities for many decades to come.

Resolution #24-06-913 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Breese for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Breese unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their April 16th City Council meeting. Larry Taylor moved to approve Resolution #24-06-913. The motion was seconded by David Coston and carried by unanimous weighted roll call vote with the exception of the abstention by the City of Breese.

Resolution #24-06-914 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Rock Falls for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Rock Falls unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their April 16th City Council meeting. Jake McCoy moved to approve Resolution #24-06-914. The motion was seconded by Brian Groth and carried by unanimous weighted roll call vote with the exception of the abstention by the City of Rock Falls.

Resolution #24-06-915 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Farmer City for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Farmer City unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their May 6th City Council meeting. David Coston moved to approve Resolution #24-06-915. This motion was seconded by Tim Birk and carried by unanimous weighted roll call vote.

Resolution #24-06-916 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Sullivan for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Sullivan approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their May 2nd City Council meeting. Brian Keys moved to approve Resolution #24-06-916. The motion was seconded by Pat McCarthy and was carried by unanimous weighted roll call vote.

Resolution #24-06-917 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Waterloo for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Waterloo unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their May 20th City Council meeting. Larry Taylor moved to approve Resolution #24-06-917. The motion was seconded by Rich Baldrige and carried by unanimous weighted roll call vote with the exception of the abstention by the City of Waterloo.

Resolution #24-06-918 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the City of Highland for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Highland unanimously approved the IMEA Power Sales Contract and Capacity Purchase Agreement at their May 20th City Council meeting. Tim Birk moved to approve Resolution #24-06-918. The motion was seconded by Brian Groth and carried by unanimous weighted roll call vote.

Resolution #24-06-919 – Accepting and Approving New Power Sales Contract for the Village of Bethany for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Bethany unanimously approved the IMEA Power Sales Contract at their June 13th Village Board meeting. David Coston moved to approve Resolution #24-06-919. The motion was seconded by Brian Keys and carried by unanimous weighted roll call vote with the exception of the abstention by the Village of Bethany.

Resolution #24-06-920 – Accepting and Approving New Power Sales Contract for the Village of Chatham for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Chatham unanimously approved the IMEA Power Sales Contract at their May 28th Village Board meeting. Jake McCoy moved to approve Resolution #24-06-920. This motion was seconded by Brian Groth and carried by unanimous weighted roll call vote with the exception of the abstention by the Village of Chatham.

Resolution #24-06-921 – Accepting and Approving New Power Sales Contract for the City of Metropolis for the Period Beginning October 1, 2035 Through May 31, 2055 – The City of Metropolis unanimously approved the IMEA Power Sales Contract at their June 6th City Council meeting. Pat McCarthy moved to approve Resolution #24-06-921. The motion was seconded by John Tolan and carried by unanimous weighted roll call vote.

Resolution #24-06-922 – Accepting and Approving New Power Sales Contract and Capacity Purchase Agreement for the Village of Freeburg for the Period Beginning October 1, 2035 Through May 31, 2055 – The Village of Freeburg unanimously approved the IMEA Power Sales Contract and the Capacity Purchase Agreement at their June 17th Village Board meeting. Tim Birk moved to approve Resolution #24-06-922. This motion was seconded by David Coston and carried by unanimous weighted roll call vote with the exception of the abstention by the Village of Freeburg.

Ordinance #24-06-923 – Approving the Amendment and Extension of Line of Credit with PNC and related Subordinated Indebtedness – Chris Wise reported that the current line of credit expires on October 31, 2025. He explained that PNC Bank has offered to extend the current line of credit with a small increase in the fee on the unused balance and the same interest rate mechanism on draws. The terms are from September 3, 2024 through October 31, 2027. He explained that this 24-month extension of the term favors IMEA to complete its anticipated 2025 Bond refinancing. Wise stated that IMEA’s financial advisor (PFM) recommended the extension offered by PNC Bank. Staff recommends the approval of authorizing and providing for an amendment and extension of a line of credit agreement and related Subordinated Indebtedness as evidenced by a \$50,000,000 Taxable Subordinated Indebtedness Revenue Note for certain corporate purposes of the IMEA. Larry Taylor moved to approve Ordinance #24-06-923. The motion was seconded by David Coston and carried by unanimous weighted roll call vote.

Consideration and Approval of Amending Resolution #24-02-896 to Correct Scrivener’s Error – Troy Fodor explained that the open period for new Power Sales Contracts was presented to the Board as March 1, 2024 through April 30, 2025 in the February Board meeting although the date noted in Resolution #24-02-896 was May 31, 2025 as the end date. Fodor stated that the May 31 date was in error and should be April 30, 2025. All other terms and conditions included in Resolution #24-02-896 remain the same. Staff recommends amending Resolution #24-02-896, specifically Section 3, to reflect April 30, 2025 as the final date in which the offer of the new contract is open and will not be offered beyond that date without authorization from the IMEA Board of Directors. Pete Suhr moved to approve amending Resolution #24-02-896. The motion was seconded by John Tolan and carried by unanimous roll call vote.

Consideration and Approval for Authority to Proceed with Negotiations of Power Purchase Agreement for 150MW from New Solar Project – Eric Weinant explained that IMEA’s load is largely served by existing assets, but has resource needs in the summer and much smaller resource needs in the winter. He stated that solar resources provide better coverage of summer on-peak energy needs than other renewable options moving forward. Weinant reported that based on IMEA’s Sustainability Plan and IMEA’s long-term resource needs, IMEA Staff forecasted needing 130MW of solar due to the expiration of the Lee Dekalb wind contract in 2030. He also stated that by acquiring 150MW of solar will largely eliminate the need to procure short-term bilateral energy and capacity for several years and noted that resource decisions in 2030 can be revisited based on IMEA’s load obligation beyond 2035.

CEO Kevin Gaden discussed how IMEA has sought to add large scale solar to IMEA’s portfolio for a few years, but has been delayed by transmission queue bottlenecks in RTOs, supply chain and mineral rights issues. He reported that this project is 150MW total size and the supplier is only willing to offer the full 150MW. Gaden explained that IMEA seeks to purchase all of the energy, capacity, ancillary services and Renewable Energy Credits (RECs) related to this project. He stated that this project is located in the Ameren Illinois service territory and has already signed a Generator Interconnection Agreement with Ameren and MISO with an expected project completion date of December 31, 2026. Gaden noted that credit support for Pre-Commercial Operation and the full term of the transaction will be provided via cash or letter of credit and the proposed vendor is a proven national supplier of renewable energy projects. He reported that IMEA has signed a Non-Disclosure Agreement with the counter-party to protect the specific terms of the proposed transaction.

At that time, General Counsel Troy Fodor asked for a motion to go into Executive Session for discussion of the purchase, sale or delivery of electricity. Brian Keys moved to go into Closed Session, seconded by David Coston. A roll call vote showed all in favor. The meeting was closed to the public pursuant to Section 2(c)(23) of the Open Meetings Act, 5 ILCS 120/2(c)(23) at 12:26 p.m. The meeting returned to Open Session at 12:52 p.m. by a motion from Brian Groth, seconded by Brian Keys. The motion carried by unanimous roll call vote.

CEO Gaden summarized the reasons why IMEA Staff should continue to negotiate towards a final Power Purchase Agreement (PPA) with the proposed developer of this 150MW utility scale solar project in the Ameren IL region. These reasons include that it is a planned outcome of the IMEA 2024 Sustainability Plan to add 130MW by the end of 2026; it brings needed summer capacity to IMEA's portfolio; it brings on-peak energy resources to MISO/Ameren area needed by IMEA; and the project is ready for the construction phase soon with reasonable terms and conditions to execute a final PPA along with a financial commitment. Gaden stated that the IMEA Board would be asked to formally approve the final PPA in an upcoming Board meeting. Brian Groth moved for a motion to authorize the CEO to proceed with negotiations for 150MW of solar. Larry Taylor seconded the motion and it carried by unanimous weighted roll call vote.

Chairman Cory Sheehy asked for a motion to adjourn the meeting. The motion was made by Brian Keys, seconded by Brian Groth and carried unanimously by voice vote. The meeting was adjourned at 12:57 p.m.

Respectfully submitted,

Secretary/Treasurer

**ILLINOIS MUNICIPAL ELECTRIC AGENCY
BOARD OF DIRECTORS
THURSDAY, JUNE 27, 2024**

MEMBERS PRESENT

Altamont	Larry Taylor
Bethany	Shannon Risley
Breese	Jason Deering
Cairo	Mayor Thomas Simpson
Carmi	David Coston
Chatham	Patrick McCarthy
Flora	Bob Coble
Freeburg	John Tolan
Marshall	Cory Sheehy
Mascoutah	Cody Hawkins
Naperville	Brian Groth
Oglesby	Rich Baldridge
Peru	Eric Carls
Rantoul	Jake McCoy
Riverton	Jim Mileham
Rock Falls	Larry Hanrahan
St. Charles	Peter Suhr
Waterloo	Tim Birk
Winnetka	Brian Keys

MEMBERS ABSENT

Bushnell	Joe Fosdyck
Carlyle	Brad Myers
Casey	Shelby Biggs
Greenup	Mike Ryder
Fairfield	Mayor Gary Moore
Farmer City	Sue McLaughlin
Highland	Dan Cook
Metropolis	Michael Gentry
Ladd	Pat Barry
Princeton	Jeff Mangrich (via webinar)
Red Bud	Josh Eckart (via webinar)
Roodhouse	Rich Wallis
Sullivan	Mike Kirk

OTHERS PRESENT

IMEA	Kevin Gaden
IMEA	Troy Fodor
IMEA	Chris Wise
IMEA	Mandy Ripperda
IMEA	Staci Wilson
IMEA	Mike Genin
IMEA	Rakesh Kothakapu
IMEA	Glenn Cunningham
IMEA	Adam Baker
IMEA	Jaken Hicks
IMEA	Danny Chung
IMEA	Tia Horn
IMEA	Katherine Nelson
IMEA	Rodd Whelpley
IMEA	Eric Weinant
IMEA	Jonathon Wygant
IMEA	Shadi Ahanchi
IMEA	Tammy Hall
Guest	Raheel Arshed (Naperville)

LISTEN ONLY VIA WEBINAR

Princeton	Jeff Mangrich
Red Bud	Josh Eckart
Guest	Greg Hubert (Naperville)
Guest	Bo Bourlard (Naperville)
IMEA	Sean McCarthy

Illinois Municipal Electric Agency

Financial Statements and
Supplementary Information

April 30, 2024 and 2023

Illinois Municipal Electric Agency

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April 30, 2024 and 2023

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Independent Auditors' Report

To the Board of Directors of
Illinois Municipal Electric Agency

Opinion

We have audited the accompanying financial statements of Illinois Municipal Electric Agency (IMEA), as of and for the years ended April 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the IMEA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IMEA as of April 30, 2024 and 2023, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IMEA'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 IMEA's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Baker Tilly US, LLP

Madison, Wisconsin
July 29, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Illinois Municipal Electric Agency

Management's Discussion and Analysis
April 30, 2024 and 2023
(Unaudited)

The management of the Illinois Municipal Electric Agency ("IMEA") offers all persons interested in the financial position of IMEA this narrative overview and analysis of IMEA's financial performance during the years ending April 30, 2024 and 2023. Please read this narrative in conjunction with the accompanying financial statements and the accompanying notes to financial statements.

Overview of the Financial Statements

The Illinois Municipal Electric Agency is a body politic and corporate, municipal corporation and unit of local government of the State of Illinois. IMEA was created in 1984 under the provisions of Division 119.1 of Article II of the Illinois Municipal Code by a group of municipalities. The purpose of IMEA is to jointly plan, finance, own and operate facilities for the generation and transmission of electrical power and energy-related facilities to provide for the current and projected energy needs of the purchasing members. IMEA has thirty-two (32) members, each of which is a municipal corporation in the State of Illinois and owns and operates a municipal electric system.

This annual report consists of two parts: Management's Discussion and Analysis (this section) and the financial statements. These statements are prepared on the accrual basis of accounting in accordance with accounting principals generally accepted in the United States of America. IMEA uses the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission.

The Statements of Revenues, Expenses and Changes in Net Position present information showing how IMEA's net position changed during the most recent year due to IMEA's business activity. The Statements of Net Position report year end assets, deferred outflows of resources, liabilities and net position balances based on the original cost adjusted for any depreciation, amortization or unrealized gains/losses as appropriate. Over time, increases or decreases in IMEA's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider include the Agency's wholesale electric rates and ability to maintain or exceed the debt coverage levels required by its bond resolution.

IMEA Financial Analysis

An analysis of IMEA's financial position begins with the review of the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. A summary of IMEA's Statements of Net Position is presented in Table 1 and the Statements of Revenues, Expenses and Changes in Net Position are summarized in Table 2.

Illinois Municipal Electric Agency

Management's Discussion and Analysis
April 30, 2024 and 2023
(Unaudited)

Table 1
Condensed Statements of Net Position

	2024	2023	2022
Utility plant	\$926,862,215	\$951,383,076	\$974,101,439
Restricted assets	97,226,562	97,716,541	96,473,555
Current assets	166,660,820	157,476,266	129,389,848
Other assets	3,296,693	2,655,475	10,405,221
Deferred outflows of resources	15,033,344	17,577,371	20,281,525
Total Assets and Deferred Outflows of Resources	<u>\$1,209,079,634</u>	<u>\$1,226,808,729</u>	<u>\$1,230,651,588</u>
Net Position:			
Invested in capital assets	\$296,176,193	\$271,346,000	\$245,077,357
Restricted	11,511,814	10,751,876	9,822,774
Unrestricted	138,480,542	117,458,280	98,985,636
Total Net Position	<u>446,168,549</u>	<u>399,556,156</u>	<u>353,885,767</u>
Noncurrent liabilities	687,516,625	751,897,317	799,974,305
Current liabilities	75,394,460	75,355,256	76,791,516
Total Liabilities	<u>762,911,085</u>	<u>827,252,573</u>	<u>876,765,821</u>
Total Net Position and Liabilities	<u>\$1,209,079,634</u>	<u>\$1,226,808,729</u>	<u>\$1,230,651,588</u>

Statements of Net Position

Year Ended April 30, 2024

IMEA's total utility plant decreased by \$24,520,861 during the year ended April 30, 2024. The Agency made total payments of \$11,601,700 toward the capital improvements associated with the Prairie State project, Trimble County Units 1 & 2 projects and other smaller capital acquisitions and improvements. Total current liabilities associated with these capital improvements were \$929,797. These capital investments net of depreciation accounted for most of the changes in utility plant. Depreciation expense of \$35,989,197 was recorded during the year.

IMEA had an increase in the cash and short-term investments held in operating reserve accounts of \$8,631,266 from the previous year. Accounts receivable decreased by \$1,272,895 from the previous year. Prepayments increased by \$2,724,731 from the previous year. The value of renewable energy credits held at the end of the year decreased by \$811,965. These changes along with a decrease in the value of bond interest subsidy receivable and an increase in collateral held for others at the end of the year represent much of the increase in current assets of \$9,184,554.

Proceeds of revenue bonds not yet expended are included in restricted assets. The decrease in restricted assets of \$489,979 was primarily caused by a return of excess funds following the Trustee's (BNY Mellon) annual cash valuation calculations.

Net position increased due to the current year's operations that resulted in net income of \$46,612,393.

See accompanying independent auditors' report

Illinois Municipal Electric Agency

Management's Discussion and Analysis
April 30, 2024 and 2023
(Unaudited)

Principal repayments associated with the Agency's outstanding revenue bonds totaled \$47,750,000. IMEA is scheduled to repay an additional \$50,005,000 on the outstanding revenue bonds on February 1, 2025, which is included in current liabilities. The Agency also had current year payments of \$2,000,000 with no draws against a line of credit facility available to IMEA bringing the total outstanding draws on the line of credit to \$0. The total undrawn portion of this line of credit was \$50,000,000.

Year Ended April 30, 2023

IMEA's total utility plant decreased by \$22,718,363 during the year ended April 30, 2023. The Agency made total payments of \$11,714,574 toward the capital improvements associated with the Prairie State project, Trimble County Units 1 & 2 projects and other smaller capital acquisitions and improvements. Total current liabilities associated with these capital improvements were \$999,073. These capital investments net of depreciation accounted for most of the changes in utility plant. Depreciation expense of \$35,331,150 was recorded during the year.

IMEA had an increase in the cash and short-term investments held in operating reserve accounts of \$25,450,663 from the previous year. Accounts receivable decreased by \$3,110,650 from the previous year. Prepayments increased by \$4,174,424 from the previous year. These changes along with a decrease in the value of bond interest subsidy receivable, an increase in the value of renewable energy credits held at the end of the year and an increase in collateral held for others at the end of the year represent much of the increase in current assets of \$28,086,418.

Proceeds of revenue bonds not yet expended are included in restricted assets. The increase in restricted assets of \$1,242,986 was primarily caused by a rise in the market value of investments being held in restricted accounts.

Net position increased due to the current year's operations that resulted in net income of \$45,670,389.

Principal repayments associated with the Agency's outstanding revenue bonds totaled \$45,675,000. IMEA is scheduled to repay an additional \$47,750,000 on the outstanding revenue bonds on February 1, 2024, which is included in current liabilities. The Agency also had current year payments of \$2,000,000 with no draws against a line of credit facility available to IMEA bringing the total outstanding draws on the line of credit to \$2,000,000. The total undrawn portion of this line of credit was \$48,000,000.

Illinois Municipal Electric Agency

Management's Discussion and Analysis
April 30, 2024 and 2023
(Unaudited)

Table 2
Condensed Statements of Revenues, Expenses and Changes in Net Position

	2024	2023	2022
Operating revenues	\$312,627,656	\$312,710,430	\$313,659,643
Depreciation expense	35,989,197	35,331,150	35,262,426
Other operating expenses	207,731,360	201,318,145	203,587,357
Total Operating Expenses	243,720,557	236,649,295	238,849,783
Operating Income	68,907,099	76,061,135	74,809,860
Investment income	9,814,135	3,911,985	689,626
Interest and amortization expense	(32,165,974)	(34,290,557)	(36,674,762)
Other income/(expense)	57,133	(12,174)	(19,127)
Total Non-Operating Expenses	(22,294,706)	(30,390,746)	(36,004,263)
Change in Net Position	46,612,393	45,670,389	38,805,597
Net Position, Beginning of Year	399,556,156	353,885,767	315,080,170
Net Position, End of Year	\$446,168,549	\$399,556,156	\$353,885,767

Statements of Revenue, Expenses and Changes in Net Position

Year Ended April 30, 2024

Sales to participating members of \$302,188,273 and 3,660,103,092 kilowatt hours ("kWh") were recorded during the fiscal year ended April 30, 2024. This represented a decrease of \$580,773 (0.2 percent) in revenue from sales to participating members and a decrease of 101,094,732 kWh (2.7 percent) as compared with the previous year. Energy sales were lower this year as compared to the previous year due to milder temperatures over the summer and winter across Illinois.

IMEA recorded a coincident peak demand of 973 MW, which was approximately 6.2 percent higher than the 915 MW experienced in the previous year. The total member non-coincident peak demand was 987 MW, which was approximately 4.1 percent higher than the 948 MW experienced in the previous year.

The average cost of power sold to the participating members with capacity credits of 8.03 cents per kWh was approximately 2.6 percent higher than the 7.82 cents per kWh from the previous year.

See accompanying independent auditors' report

Illinois Municipal Electric Agency

Management's Discussion and Analysis
April 30, 2024 and 2023
(Unaudited)

Total operating expenses increased by \$7,071,262 (3.0 percent) from the previous year due primarily to higher purchased power expenses. Purchased power expenses went up 38.1 percent from the previous year due to IMEA having a more favorable position in the energy markets during the previous fiscal year. Operation and maintenance expenses at generating units went up 0.4 percent from the previous year mainly due to inflation. Transmission expenses, which are outside of IMEA's control, went down 13.0 percent. There has been a trend of increasing transmission expenses seen over the last several years, IMEA made use of prior year excess revenues received from MISO in connection to IMEA's Auction Revenue Rights and Financial Transmission Rights to create a regulatory credit of \$7,550,000. This regulatory credit was used evenly across all 12 months of fiscal year 2024 to offset increases in transmission expenses. Fuel at generating units went down 4.6 percent from the previous year due to the cost of coal at Trimble County Units returning to a level more consistent with history. Fuel reimbursements decreased by 20.4 percent due to member generation being called to generate less than prior year. Non-operating expenses decreased by \$8,096,040 (26.6 percent) from the previous year due primarily to lower interest expense and higher interest income. Interest expense decreased by 6.0 percent primarily due to payments made to reduce outstanding revenue bonds. Interest Income increased by 150.9 percent due to interest rates paid on IMEA's investments being much higher than the previous year.

Year Ended April 30, 2023

Sales to participating members of \$302,769,046 and 3,761,197,824 kilowatt hours ("kWh") were recorded during the fiscal year ended April 30, 2023. This represented a decrease of \$5,647,512 (1.8 percent) in revenue from sales to participating members and a decrease of 94,931,249 kWh (2.5 percent) as compared with the previous year. Energy sales were lower as compared to the previous year due to relatively normal temperatures in Illinois during fiscal year 2022, this year saw a mild summer and winter across Illinois.

IMEA recorded a coincident peak demand of 915 MW, which was approximately 0.7 percent lower than the 921 MW experienced in the previous year. The total member non-coincident peak demand was 948 MW, which was approximately 1.0 percent higher than the 939 MW experienced in the previous year.

The average cost of power sold to the participating members with capacity credits of 7.82 cents per kWh was approximately 0.6 percent higher than the 7.77 cents per kWh from the previous year.

Total operating expenses decreased by \$2,200,488 (0.9 percent) from the previous year due primarily to lower purchased power expenses. Purchased power expenses went down 34.9 percent from the previous year due to IMEA having a favorable position in the energy markets during the current fiscal year. Operation and maintenance expenses at generating units went up 18.4 percent from the previous year due to more outage days. Transmission expenses, which are outside of IMEA's control, went up 20.0 percent. This trend of increasing transmission expenses is consistent with the trend IMEA has seen over the last several years. Fuel at generating units went up 7.3 percent from the previous year due to the increased cost of coal at Trimble County Units. Fuel reimbursements increased by 28.7 percent due to member generation being called to generate more than the previous year. Non-operating expenses decreased by \$5,613,517 (15.6 percent) from the previous year due primarily to lower interest expense and higher interest income. Interest expense decreased by 5.3 percent primarily due to payments made to reduce outstanding revenue bonds. Interest Income increased by 467.3 percent due to interest rates paid on IMEA's investments being much higher than the previous year.

Debt Service Coverage

IMEA's bond resolution requires the Agency to maintain a debt service coverage ratio of 110 percent. Debt service coverage for the year ended April 30, 2024 was approximately 136.4 percent and approximately 136.7 percent for the year ended April 30, 2023. IMEA made no transfers during the year ended April 30, 2024 or during the year ended April 30, 2023 into the rate stabilization account, transfers would have reduced debt service coverage.

Illinois Municipal Electric Agency

Management's Discussion and Analysis
April 30, 2024 and 2023
(Unaudited)

Significant Events

IMEA reached an agreement with Illinois Power Marketing (IPM), a wholly owned subsidiary of Vistra Corp., to shorten the term of a long-term, baseload purchase power agreement. The original term of the agreement was set to end on September 30, 2035, with an amended term through May 31, 2026. IMEA and IPM set a new end date of May 31, 2022 that coincided with the MISO Planning Year. As part of the shortened long-term agreement, IMEA is purchasing capacity and energy from IPM for one year, that year began on June 1, 2022 and ended on May 31, 2023 via a market-based transaction. This one-year agreement ended in fiscal year 2024. IMEA is evaluating carbon-free resources and market purchases to replace the energy and capacity it procured from this purchase power agreement.

For the Delivery Year that began on June 1, 2022 and ended on May 31, 2023, IMEA received excess revenues of approximately \$12,300,000 from credits received from MISO in connection with IMEA's Auction Revenue Rights (ARRs) and Financial Transmission Rights (FTRs), which are treated as offsets to transmission-related expenses ("Excess Transmission Credits"). IMEA used a portion of the Excess Transmission Credits (\$4,750,000) to repay and retire a previously established regulatory asset and the remainder (\$7,550,000) to establish a regulatory credit to forgo an otherwise needed Delivery Service rate increase for fiscal year 2024. The regulatory credit allowed the remaining Excess Transmission Credits to be carried forward from fiscal year 2023 to fiscal year 2024, the regulatory credit allowed for the Excess Transmission Credits to offset delivery service expenses in fiscal year 2024. The funds in the regulatory credit were allocated evenly (1/12th) each month of fiscal year 2024.

Renewable and Carbon-Free Energy Resources

IMEA has a contract to purchase 70 MW of wind energy from the Lee-Dekalb wind project owned by FPL Energy Illinois Wind, LLC and another contract to purchase 50 MW of wind from the Green River Wind Farm that was developed by Geronimo Energy, LLC. Two of IMEA's members own and operate run-of-the-river hydroelectric generation that totals nearly 10 MW of carbon-free energy for IMEA. IMEA also has contracts for the purchase of approximately 5 MW of solar energy located within five of IMEA's member electric systems. These resources provide IMEA with carbon-free and/or renewable energy resources totaling slightly more than 10 percent of IMEA's energy requirements. In FY2024, IMEA entered contracts to add a total of 2.5 MW of new solar energy located within the electric systems of three members, these projects are in the process of being built. In addition, IMEA is under contract to purchase 25 MW of solar energy from Big River Solar, this is a solar project located in Illinois that became operational in 2022. This contract has a June 2025 start date. IMEA is working with an experienced solar vendor, SolAmerica, to potentially add 11 MW of solar to be located within the electric systems of IMEA members. IMEA continues to evaluate additional carbon-free resources and will seek and evaluate additional opportunities to increase the amount of energy it procures from renewable or carbon-free resources. When the above referenced IPM agreement expired on May 31, 2023, IMEA no longer has any carbon-based purchase power agreements in place.

Contacting IMEA's Management

This financial report is designed to provide our members, investors and creditors with a general overview of IMEA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Illinois Municipal Electric Agency, 3400 Conifer Drive, Springfield, IL 62711.

Illinois Municipal Electric Agency

Statements of Net Position

April 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets and Deferred Outflows of Resources		
Utility Plant		
Utility plant in service	\$ 1,329,449,580	\$ 1,277,416,535
Accumulated depreciation	(440,478,810)	(408,285,469)
Construction work in progress	<u>37,891,445</u>	<u>82,252,010</u>
Total utility plant	<u>926,862,215</u>	<u>951,383,076</u>
Restricted Assets		
Cash and investments	<u>97,226,562</u>	<u>97,716,541</u>
Current Assets		
Cash	74,777,666	73,178,975
Investments	37,492,813	30,460,238
Accounts receivable	19,939,747	21,212,642
Bond interest subsidy receivable	1,660,736	1,761,543
Renewable energy credits	2,791,891	3,603,856
Prepayments	29,475,718	26,750,987
Collateral held for others	<u>522,249</u>	<u>508,025</u>
Total current assets	<u>166,660,820</u>	<u>157,476,266</u>
Other Assets		
Regulatory costs for future recovery	1,443,722	1,688,727
Unrealized (gain) loss on investments	1,522,305	641,238
Prairie State, other long term asset	<u>330,666</u>	<u>325,510</u>
Total other assets	<u>3,296,693</u>	<u>2,655,475</u>
Total assets	<u>1,194,046,290</u>	<u>1,209,231,358</u>
Deferred Outflows of Resources		
Unamortized loss on advance refunding	<u>15,033,344</u>	<u>17,577,371</u>
Total assets and deferred outflows of resources	<u>\$ 1,209,079,634</u>	<u>\$ 1,226,808,729</u>

See notes to financial statements

Illinois Municipal Electric Agency

Statements of Net Position

April 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Net Position and Liabilities		
Net Position		
Net investment in capital assets	\$ 296,176,193	\$ 271,346,000
Restricted	11,511,814	10,751,876
Unrestricted	<u>138,480,542</u>	<u>117,458,280</u>
Total net position	<u>446,168,549</u>	<u>399,556,156</u>
Noncurrent Liabilities		
Revenue bonds	643,600,000	693,605,000
Other long-term debt, line of credit	-	2,000,000
Unamortized premium	28,258,722	33,040,821
Other liabilities	<u>15,657,903</u>	<u>23,251,496</u>
Total noncurrent liabilities	<u>687,516,625</u>	<u>751,897,317</u>
Current Liabilities		
Accounts payable and accrued expenses		
Accounts payable:		
Purchased power and transmission	7,576,898	9,439,303
Jointly-owned facilities	7,097,553	6,774,136
Other	69,073	178,148
Collateral due to others	523,487	509,154
Other current liabilities	<u>552,057</u>	<u>521,224</u>
Total accounts payable and accrued expenses	<u>15,819,068</u>	<u>17,421,965</u>
Current liabilities payable from restricted assets:		
Current maturities of revenue bonds	50,005,000	47,750,000
Interest accrued	<u>9,570,392</u>	<u>10,183,291</u>
Total current liabilities payable from restricted assets	<u>59,575,392</u>	<u>57,933,291</u>
Total current liabilities	<u>75,394,460</u>	<u>75,355,256</u>
Total liabilities	<u>762,911,085</u>	<u>827,252,573</u>
Total net position and liabilities	<u>\$ 1,209,079,634</u>	<u>\$ 1,226,808,729</u>

See notes to financial statements

Illinois Municipal Electric Agency

Statements of Revenues, Expenses and Changes in Net Position
Years Ended April 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Sales to participating members	\$ 302,188,273	\$ 302,769,046
Other income	<u>10,439,383</u>	<u>9,941,384</u>
Total operating revenues	<u>312,627,656</u>	<u>312,710,430</u>
Operating Expenses		
Purchased power	54,974,399	39,802,124
Transmission	47,463,430	54,551,476
Prairie State and Trimble County Units No. 1 and 2:		
Fuel	44,033,158	46,177,615
Operations and maintenance	40,401,496	40,235,969
Member payments:		
Fuel reimbursements	1,195,739	1,502,785
Capacity payments	8,424,829	8,509,177
Generation payments	9,099	11,605
Administration and general	9,245,964	8,773,713
Depreciation	35,989,197	35,331,150
Other utility operations	<u>1,983,246</u>	<u>1,753,681</u>
Total operating expenses	<u>243,720,557</u>	<u>236,649,295</u>
Operating income	<u>68,907,099</u>	<u>76,061,135</u>
Nonoperating Revenues (Expenses)		
Investment income	9,814,135	3,911,985
Bond interest subsidy revenue	6,655,720	7,037,669
Interest expense	(40,814,763)	(43,405,360)
Amortization expense	1,993,069	2,077,134
Other income (expense)	<u>57,133</u>	<u>(12,174)</u>
Total nonoperating revenues (expenses)	<u>(22,294,706)</u>	<u>(30,390,746)</u>
Change in net position	46,612,393	45,670,389
Net Position, Beginning	<u>399,556,156</u>	<u>353,885,767</u>
Net Position, Ending	<u>\$ 446,168,549</u>	<u>\$ 399,556,156</u>

See notes to financial statements

Illinois Municipal Electric Agency

Statements of Cash Flows

Years Ended April 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Received from power sales	\$ 293,831,497	\$ 295,940,454
Paid to suppliers for purchased power and transmission	(110,397,605)	(82,299,375)
Paid to suppliers and employees for other services	<u>(88,081,753)</u>	<u>(95,221,914)</u>
Net cash flows from operating activities	<u>95,352,139</u>	<u>118,419,165</u>
Cash Flows From Noncapital and Related Financing Activities		
Payment of line of credit debt	<u>(2,000,000)</u>	<u>(2,000,000)</u>
Net cash flows from noncapital financing and related activities	<u>(2,000,000)</u>	<u>(2,000,000)</u>
Cash Flows From Capital and Related Financing Activities		
Debt principal paid	(47,750,000)	(45,675,000)
Interest paid	(41,427,661)	(44,024,543)
Bond interest subsidy received	6,756,528	7,136,818
Acquisition and construction of capital assets	(11,601,700)	(11,714,574)
Asset retirement obligation costs incurred	<u>(26,041)</u>	<u>(6,218)</u>
Net cash flows from capital and related financing activities	<u>(94,048,874)</u>	<u>(94,283,517)</u>
Cash Flows From Investing Activities		
Investment income	9,814,135	3,911,985
Purchase of long-term investments	(158,577,843)	(164,788,195)
Maturity of long-term investments	<u>151,766,000</u>	<u>164,321,000</u>
Net cash flows from investing activities	<u>3,002,292</u>	<u>3,444,790</u>
Net change in cash and cash equivalents	2,305,557	25,580,440
Cash and Cash Equivalents, Beginning	<u>74,461,040</u>	<u>48,880,600</u>
Cash and Cash Equivalents, Ending	<u>\$ 76,766,597</u>	<u>\$ 74,461,040</u>
Noncash Capital and Related Financing Activities		
Recording of other regulatory asset	\$ -	\$ (6,597,222)
Recording of other regulatory liability	\$ (6,909,337)	\$ 6,909,337
Change in asset retirement obligation liability	\$ 762,197	\$ 222,909
Accretion expense	\$ 782,192	\$ 793,330
Change in unrealized loss on investments	\$ 881,067	\$ (647,184)
Amortization expense	\$ 1,993,069	\$ 2,077,134
Credits given on billings	\$ (9,629,667)	\$ (10,023,568)
Net gain (loss) on sale of assets	<u>\$ (57,133)</u>	<u>\$ 12,174</u>

See notes to financial statements

Illinois Municipal Electric Agency

Statements of Cash Flows

Years Ended April 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of Operating Income to Net Cash		
Flows From Operating Activities		
Operating income	\$ 68,907,099	\$ 76,061,135
Noncash items included in operating income:		
Depreciation	35,989,197	35,331,150
Other noncash transactions	(530,012)	(990,487)
Changes in assets and liabilities:		
Accounts receivable	1,272,894	3,110,651
Prepayments	(2,724,729)	(4,174,423)
Allowance inventory	811,965	(1,663,579)
Accounts payable	(1,462,534)	(2,776,244)
Change in regulatory asset/liability	(6,909,340)	13,506,559
Other current liabilities	(2,401)	14,403
	<u>\$ 95,352,139</u>	<u>\$ 118,419,165</u>
Reconciliation of Cash and Cash Equivalents to		
the Balance Sheets		
Restricted cash and investments	\$ 97,226,562	\$ 97,716,541
Cash	74,777,666	73,178,975
Investments	<u>37,492,813</u>	<u>30,460,238</u>
Total cash and investments	209,497,041	201,355,754
Less investments	<u>(132,730,444)</u>	<u>(126,894,714)</u>
Total cash and cash equivalents	<u>\$ 76,766,597</u>	<u>\$ 74,461,040</u>

See notes to financial statements

Illinois Municipal Electric Agency

Notes to Financial Statements
April 30, 2024 and 2023

1. Summary of Significant Accounting Policies

The financial statements of the Illinois Municipal Electric Agency (IMEA) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by IMEA are described below.

Reporting Entity

IMEA is a body politic and corporate, municipal corporation and unit of local government of the State of Illinois. IMEA was created in May 1984 under the provisions of Division 119.1 of Article II of the Illinois Municipal Code (the Act) by a group of municipalities for the purpose of jointly planning, financing, owning and operating facilities for the generation and transmission of electrical power and energy-related facilities which are appropriate to the present and projected energy needs to such municipalities. IMEA is owned and its policies governed by its member municipalities.

IMEA has provided the power and energy requirements of certain members since 1986, primarily through the purchase of wholesale requirements service from power providers and through IMEA owned generation. The contracts with power providers, which obligate IMEA to purchase electric energy for concurrent resale to its members, are in effect through September 2035.

As of April 30, 2024, IMEA had 32 member municipalities, all of which have executed long-term power sales contracts for the purchase of full requirements power and energy from IMEA. The original termination date for all of the power sales contracts with participating members is September 30, 2035. These members participate in the IMEA owned generation facilities and pay rates sufficient to meet the obligations of IMEA's bond resolution. Per resolutions 24-04-900 through 24-04-909, 10 members have signed new contracts in April 2024 to extend their termination dates to May 31, 2055.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are prepared 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 exchange takes place. IMEA uses the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission.

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, Deferred Outflows of Resources, Liabilities and Net Position

Cash Equivalents

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.

Illinois Municipal Electric Agency

Notes to Financial Statements
April 30, 2024 and 2023

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount billed to members. Allowance for doubtful accounts is not considered necessary as IMEA has not historically experienced delays in payments for service rendered.

Renewable Energy Credits

Energy credits consist of renewable energy credits (RECs) held for sale and are valued at current market value. The RECs are obtained through the purchase of renewable energy resources.

Prepayments

The amount in prepaid items represents amounts paid which will benefit future periods, IMEA's payment for collateral for operating activities in the MISO and PJM transmission markets and advance payments to Trimble County and Prairie State for working capital.

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.

Prairie State, Other Long-Term Asset

Other long-term assets are comprised of the assets related to the prepayments made on a long-term parts agreement and collateral paid toward a self-insurance fund.

Regulatory Costs for Future Recovery

Expenses incurred and paid in the current and prior periods in which the benefit of the expense will be recovered and realized in future periods in accordance with GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. See Note 9 for further discussion related to assets.

Unrealized Gains and Loss on Investments

Management has elected the use of regulatory accounting for its unrealized gains and losses on investments. Changing market gains and losses are not recognized as investment income until such time investments are sold or mature. Net unrealized gains and losses are reported as other assets on the Statement of Net Position.

Utility Plant

Utility plant is generally defined by IMEA as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year, except for jointly owned assets. In these cases, utility plant is capitalized based on policies defined by Louisville Gas & Electric Company and Prairie State Generating Company.

Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2024 and 2023

Utility plant of IMEA is recorded at cost or the estimated acquisition value at the time of contribution to IMEA. Major outlays for utility plant are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the utility plant constructed, net of interest earned on the invested proceeds over the same period. Utility plant is depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Utility Plant:	
Electric plant, Trimble County Units No. 1 and 2	20-53
Electric plant, Prairie State Units No. 1 and 2	40
Mobile generation	30
Land	-
Land improvements	10
Office building	10-31.5
Office furniture and equipment	5
Supervisory control and data acquisition equipment	5
Winnetka 138 interconnect	30
Other equipment	5

Coal reserves are depleted as the commodity is consumed using a rate which is based upon the cost to IMEA divided by the total estimated coal to be mined.

Deferred Outflow of Resources

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

Loss on Refunding

The deferred change resulting from the refunding of debt is amortized over the shorter of the term of the refunding issue or the original term of the refunded debt.

Payables and Other Current Liabilities

Accounts payable represents current liabilities for power, jointly owned facilities and other payables. Other current liabilities represent accrued vacation benefits and accrued property taxes payable.

Other Liabilities

Other liabilities represent accrued sick leave, MISO ARR credit (Note 9) and asset retirement obligation (Note 7). Under terms of employment, employees are granted one day of sick leave per month. One-half of accumulated sick leave benefits are paid if the employee terminates service after at least 10 years of service. Accumulated sick leave and vacation benefits have been recorded in the financial statements.

Long-Term Obligations

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

Illinois Municipal Electric Agency

Notes to Financial Statements
April 30, 2024 and 2023

Revenues and Expenses

IMEA 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 IMEA's principal ongoing operations. The principal operating revenues of IMEA are charges to members for sales and services. Operating expenses for IMEA include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

IMEA billings are rendered and recorded monthly based on month-end metered usage.

Bond Subsidy Revenue and Receivable

This amount represents the accrued amount receivable under the Build America Bond Program (BAB) which provides a 35% subsidy for interest expense on the Series 2009 and 2010 revenue bond issues. The interest expense reduction is classified as nonoperating revenue.

The United States Federal Government was subject to the process of sequestration for the budget year ending September 30, 2024 and 2023 whereby foreseeable spending reductions for many Federal programs, including issuers of the BAB's, may directly affect the recovery of the BAB's subsidy. See Note 6 for further details.

Taxes

IMEA is exempt from State and Federal income taxes.

Rates

Rates charged to members are approved by the Board of Directors and were increased January 1, 2024. The approved rate includes adjustment clauses which are calculated monthly based on cost to serve member load.

Effect of New Accounting Standards on Current Period Financial Statements

GASB has approved Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, Statement No. 101, *Compensated Absences*, Statement No. 102, *Certain Risk Disclosures* and Statement No. 103, *Financial Reporting Model Improvements*. When they become effective, application of these standards may restate portions of these financial statements.

Comparative Data

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

Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2024 and 2023

2. Cash and Investments

IMEA's cash and investments consist of the following:

	Carrying Value as of April 30		Associated Risk
	2024	2023	
The Illinois Funds	\$ 51,191,265	\$ 19,722,379	Credit and interest rate
U.S. agency securities, implicitly guaranteed	24,019,400	70,842,085	Custodial credit, credit, concentration of credit and interest rate
U.S. treasuries	109,677,559	56,711,360	Custodial credit and interest rate
Money market fund	1,783,971	6,915,957	Custodial credit
Checking and savings	22,824,346	47,163,473	Custodial credit
Petty cash	500	500	Not applicable
Total	\$ 209,497,041	\$ 201,355,754	

IMEA's Trust Indenture authorizes IMEA to deposit funds only in banks insured by the Federal Deposit Insurance Corporation (FDIC). IMEA may also make investments in U.S. Government and federal agency obligations, investment grade bonds, commercial paper rated at the highest classification established by at least two standard rating services, money market mutual funds, repurchase agreements and The Illinois Funds.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in the fair value section of this note. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair values may have changed significantly after year-end.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts and \$250,000 for demand deposit accounts (interest and noninterest bearing). Investments in The Illinois Funds are covered under securities pledged for all pool participants. The difference between the bank balance and carrying value is due to outstanding checks, deposits in transit and/or market value adjustments.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, IMEA's deposits may not be returned to IMEA. IMEA's investment policy requires collateralization of deposits above the amount insured by the FDIC. IMEA does not have any deposits exposed to custodial credit risk as of April 30, 2024 and 2023.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, IMEA will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All investments held as of April 30, 2024 and 2023, were considered to be in risk category one (investments held in trust on behalf of IMEA), therefore, not subject to custodial credit risk. IMEA's investment policy requires all investment securities be held by its agent in IMEA's name.

Illinois Municipal Electric Agency

Notes to Financial Statements
April 30, 2024 and 2023

Credit Risk

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

As of April 30, 2024 IMEA's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>	<u>Moody's</u>	<u>Fitch</u>
U.S. agency securities	AA+	Aaa	-
The Illinois funds	-	-	AAAmf

As of April 30, 2023 IMEA's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>	<u>Moody's</u>	<u>Fitch</u>
U.S. agency securities	AA+	Aaa	-
The Illinois funds	-	-	AAAmf

IMEA's investment policy requires that all investments be rated in highest or second highest categories by the national rating agencies.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of IMEA's investment in a single issuer.

As of April 30, 2024 and 2023, IMEA's investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Types</u>	<u>Percentage of Portfolio</u>	
		<u>2024</u>	<u>2023</u>
Federal Home Loan Bank Federal Farm Credit Banks Funding Corporation	U.S. agency securities, implicitly guaranteed	8%	45%
	U.S. agency securities, implicitly guaranteed	10	10

IMEA's investment policy states that no more than 50% of the total portfolio may be invested in one type of investment with the exception of the US government and its agencies.

Illinois Municipal Electric Agency

Notes to Financial Statements
April 30, 2024 and 2023

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of April 30, 2024 IMEA's investments were as follows:

	Maturity (In Years)			
	Fair Value	Less than 1	1-5	Over 5
U.S. agency securities	\$ 24,019,400	\$ 10,931,515	\$ 13,087,885	\$ -
U.S. treasuries	109,677,559	77,917,418	25,064,111	6,696,030
Total	<u>\$ 133,696,959</u>	<u>\$ 88,848,933</u>	<u>\$ 38,151,996</u>	<u>\$ 6,696,030</u>

IMEA also has \$51,191,265 invested in The Illinois Funds, which are valued at amortized cost. The average maturity of The Illinois Funds is 120 days.

As of April 30, 2023 IMEA's investments were as follows:

	Maturity (In Years)			
	Fair Value	Less than 1	1-5	Over 5
U.S. agency securities	\$ 70,842,085	\$ 52,548,447	\$ 18,293,638	\$ -
U.S. treasuries	56,711,360	23,984,436	32,726,924	-
Total	<u>\$ 127,553,445</u>	<u>\$ 76,532,883</u>	<u>\$ 51,020,562</u>	<u>\$ -</u>

IMEA also has \$19,722,379 invested in The Illinois Funds, which are valued at amortized cost. The average maturity of The Illinois Funds is 120 days.

IMEA's investment policy states that investment securities should not mature later than the monies will be needed for the respective use.

Fair Value

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

Illinois Municipal Electric Agency

Notes to Financial Statements
April 30, 2024 and 2023

The valuation methods for recurring fair value measurements as of April 30, 2024 and 2023 are as follows:

- Market approach – matrix pricing or market collaborative pricing

As of April 30, 2024 IMEA's fair values were rated as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
U.S. agency securities:	\$ 24,019,400	\$ -	\$ 24,019,400
U.S. treasuries	<u>109,677,559</u>	<u>109,677,559</u>	<u>-</u>
Total	<u>\$ 133,696,959</u>	<u>\$ 109,677,559</u>	<u>\$ 24,019,400</u>

As of April 30, 2023 IMEA's fair values were rated as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
U.S. agency securities:	\$ 70,842,085	\$ -	\$ 70,842,085
U.S. treasuries	<u>56,711,360</u>	<u>56,711,360</u>	<u>-</u>
Total	<u>\$ 127,553,445</u>	<u>\$ 56,711,360</u>	<u>\$ 70,842,085</u>

3. Jointly-Owned Facilities

Trimble County Unit No. 1

Pursuant to an ownership agreement entered into in September 1990, IMEA acquired an undivided 12.12% ownership interest (approximately 62 MW), as tenant in common, in the Trimble County Unit No. 1 generating facility from Louisville Gas and Electric Company. Trimble County Unit 1 is a 514 MW subcritical pulverized coal fired unit.

Trimble County Unit No. 2

Trimble County Unit 2, which was placed into commercial operation in January 2011, is a pulverized-coal super-critical unit of 750 MW nominal net rating located adjacent to Trimble County Unit 1. IMEA owns a 12.12% (approximately 91 MW) undivided interest as tenant in common in the unit.

Prairie State Project

IMEA is part of the consortium known as the Prairie State Generating Company, LLC that developed the Prairie State Project. IMEA owns a 15.17% (approximately 240 MW) undivided interest in the project. The Prairie State Project is a nominal 1,600 MW plant, utilizing two supercritical steam units of approximately 800 MW in size. Prairie State includes contiguous coal reserves and the operation of a coal mine to supply coal to the power plant. The first unit was placed into commercial operation in June 2012 and the second unit was placed into commercial operation in November 2012.

IMEA's share of the operating costs associated with these joint owned facilities are included in the accompanying financial statements.

Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2024 and 2023

4. Funds

IMEA's Trust Indenture requires the segregation of bond proceeds, establishment of various funds and prescribes the application of IMEA's revenues. Also, it defines what type of securities that IMEA may invest in. Funds consist principally of cash, money market funds, federal securities and investments in The Illinois Funds. The fund's purposes and balances are summarized below.

Fund	Held By	Purpose
Revenue	IMEA	To initially receive revenues and to disburse them to other accounts.
Operations and Maintenance	IMEA	To pay operating and maintenance expenses.
Renewals and Replacements	IMEA	To provide funds to be applied to the payment of the costs of renewals, replacements and repairs.
General Reserve	IMEA	To receive surplus funds after all other accounts are funded.
Rate Stabilization	IMEA	To accumulate any revenues in excess of the 10% debt service coverage requirement which will be used to minimize rate fluctuations in the future.
Debt Service Account	Trustee	To accumulate principal and interest associated with each bond series.
Debt Service Reserve Account	Trustee	To establish a reserve to cover deficiencies in the Debt Service Account. Any excess may be used for other purposes.

The indenture requires that certain cash and investments be segregated. The following are accounts included in current and restricted assets at April 30, 2024 and 2023.

	2024	2023
Included in current assets:		
Revenue	\$ -	\$ 375
Operation and maintenance	53,200,482	47,163,100
Renewals and replacements	2,336,475	2,340,315
General reserve	11,233,022	8,634,923
Rate stabilization	45,500,000	45,500,000
General cash (not restricted by indenture)	500	500
Total current cash and investments	\$ 112,270,479	\$ 103,639,213
Included in restricted investment accounts:		
Debt service	\$ 21,082,206	\$ 20,935,167
Debt service reserve	76,144,356	76,781,374
Total restricted cash and investments	\$ 97,226,562	\$ 97,716,541

Illinois Municipal Electric Agency

Notes to Financial Statements
April 30, 2024 and 2023

5. Changes in Utility Plant

A summary of changes in utility plant for 2024 follows:

	Balance 5/1/23	Additions/ Reclassifications	Deletions/ Reclassifications	Balance 4/30/24
Utility plant being depreciated electric plant :				
Trimble County Unit No. 1	\$ 133,818,115	\$ 2,801,181	\$ (2,943,013)	\$ 133,676,283
Trimble County Unit No. 2	198,292,555	47,524,140	-	245,816,695
Prairie State Unit No. 1	356,771,463	316,898	(149,518)	356,938,843
Prairie State Unit No. 2	328,705,858	-	-	328,705,858
Mobile generation	3,214,845	-	-	3,214,845
Prairie State, Common	151,460,309	227,642	(166,636)	151,521,315
Prairie State, Jordan Grove	1,385,270	-	(126,232)	1,259,038
Prairie State, Nearfield	14,440,440	-	(38,354)	14,402,086
Prairie State, Other	7,833,412	-	(200,796)	7,632,616
Prairie State, Mine	45,305,436	4,830,060	(202,634)	49,932,862
Prairie State, Coal Reserves	17,372,369	-	-	17,372,369
Land ¹	5,966,369	-	-	5,966,369
Office building	8,656,954	105,760	-	8,762,714
Office furniture and equipment	577,584	25,184	(48,559)	554,209
Supervisory control and data acquisition equipment	2,618,485	66,175	(1,544)	2,683,116
Winnetka 138 interconnect	500,000	-	-	500,000
Other equipment	497,071	66,532	(53,241)	510,362
	<u>1,277,416,535</u>	<u>55,963,572</u>	<u>(3,930,527)</u>	<u>1,329,449,580</u>
Total utility plant in service				
Construction work in progress ¹	<u>82,252,010</u>	<u>11,220,834</u>	<u>(55,581,399)</u>	<u>37,891,445</u>
Total utility plant	<u>1,359,668,545</u>	<u>67,184,406</u>	<u>(59,511,926)</u>	<u>1,367,341,025</u>
Less accumulated depreciation electric plant:				
Trimble County Unit No. 1	(77,666,382)	(3,905,462)	2,943,013	(78,628,831)
Trimble County Unit No. 2	(59,827,175)	(6,356,792)	-	(66,183,967)
Prairie State Unit No. 1	(93,999,133)	(8,918,852)	149,518	(102,768,467)
Prairie State Unit No. 2	(83,726,202)	(8,217,646)	-	(91,943,848)
Mobile generation	(2,180,332)	(107,172)	-	(2,287,504)
Prairie State, Common	(39,771,200)	(3,785,703)	166,636	(43,390,267)
Prairie State, Jordan Grove	(1,352,989)	-	153,095	(1,199,894)
Prairie State, Nearfield	(2,689,118)	(360,691)	-	(3,049,809)
Prairie State, Other	(4,230,475)	(381,631)	200,796	(4,411,310)
Prairie State, Mine	(29,477,694)	(3,063,745)	202,634	(32,338,805)
Prairie State, Coal Reserves	(5,411,293)	(564,611)	-	(5,975,904)
Office building	(4,123,630)	(285,966)	-	(4,409,596)
Office furniture and equipment	(524,382)	(13,438)	48,559	(489,261)
Supervisory control and data acquisition equipment	(2,461,460)	(72,598)	1,544	(2,532,514)
Winnetka 138 interconnect	(444,447)	(16,666)	-	(461,113)
Other equipment	(399,557)	(45,256)	37,093	(407,720)
	<u>(408,285,469)</u>	<u>(36,096,229)</u>	<u>3,902,888</u>	<u>(440,478,810)</u>
Total accumulated depreciation				
Net utility plant	<u>\$ 951,383,076</u>			<u>\$ 926,862,215</u>

¹ Utility plant that is not being depreciated.

Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2024 and 2023

A summary of changes in utility plant for 2023 follows:

	Balance 5/1/22	Additions/ Reclassification	Deletions/ Reclassification	Balance 4/30/23
Utility plant being depreciated electric plant:				
Trimble County Unit No. 1	\$ 132,589,275	\$ 2,831,433	\$ (1,602,593)	\$ 133,818,115
Trimble County Unit No. 2	195,274,859	3,017,696	-	198,292,555
Prairie State Unit No. 1	356,454,071	317,392	-	356,771,463
Prairie State Unit No. 2	327,984,879	951,824	(230,845)	328,705,858
Mobile generation	3,214,845	-	-	3,214,845
Prairie State, Common	150,922,301	538,008	-	151,460,309
Prairie State, Jordan Grove	1,403,200	-	(17,930)	1,385,270
Prairie State, Nearfield	14,275,744	164,696	-	14,440,440
Prairie State, Other	7,833,412	-	-	7,833,412
Prairie State, Mine	44,274,075	1,108,828	(77,467)	45,305,436
Prairie State, Coal Reserves	17,372,369	-	-	17,372,369
Land ¹	5,966,369	-	-	5,966,369
Office building	8,415,705	241,249	-	8,656,954
Office furniture and equipment	530,248	47,336	-	577,584
Supervisory control and data acquisition equipment	2,582,509	35,976	-	2,618,485
Winnetka 138 interconnect	500,000	-	-	500,000
Other equipment	503,474	14,455	(20,858)	497,071
	<u>1,270,097,335</u>	<u>9,268,893</u>	<u>(1,949,693)</u>	<u>1,277,416,535</u>
Total utility plant in service				
Construction work in progress ¹	<u>78,863,846</u>	<u>12,493,999</u>	<u>(9,105,835)</u>	<u>82,252,010</u>
	<u>1,348,961,181</u>	<u>21,762,892</u>	<u>(11,055,528)</u>	<u>1,359,668,545</u>
Total utility plant				
Less accumulated depreciation electric plant:				
Trimble County Unit No. 1	(74,836,910)	(4,432,065)	1,602,593	(77,666,382)
Trimble County Unit No. 2	(54,521,090)	(5,306,085)	-	(59,827,175)
Prairie State Unit No. 1	(85,081,565)	(8,917,568)	-	(93,999,133)
Prairie State Unit No. 2	(75,725,611)	(8,205,097)	204,506	(83,726,202)
Mobile generation	(2,073,159)	(107,173)	-	(2,180,332)
Prairie State, Common	(35,993,786)	(3,777,414)	-	(39,771,200)
Prairie State, Jordan Grove	(1,436,253)	-	83,264	(1,352,989)
Prairie State, Nearfield	(2,331,180)	(357,938)	-	(2,689,118)
Prairie State, Other	(3,838,804)	(391,671)	-	(4,230,475)
Prairie State, Mine	(26,583,169)	(2,971,992)	77,467	(29,477,694)
Prairie State, Coal Reserves	(4,885,580)	(525,713)	-	(5,411,293)
Office building	(3,846,978)	(276,652)	-	(4,123,630)
Office furniture and equipment	(519,126)	(5,256)	-	(524,382)
Supervisory control and data acquisition equipment	(2,386,816)	(74,644)	-	(2,461,460)
Winnetka 138 interconnect	(427,779)	(16,668)	-	(444,447)
Other equipment	(371,936)	(48,479)	20,858	(399,557)
	<u>(374,859,742)</u>	<u>(35,414,415)</u>	<u>1,988,688</u>	<u>(408,285,469)</u>
Total accumulated depreciation				
Net utility plant	<u>\$ 974,101,439</u>			<u>\$ 951,383,076</u>

¹ Utility plant that is not being depreciated.

Illinois Municipal Electric Agency

Notes to Financial Statements
April 30, 2024 and 2023

6. Long-Term Obligations

IMEA has issued the following revenue bonds:

<u>Date</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding Amount 4/30/24</u>
July 15, 2009	Debt service and capital improvements *	Feb. 1, 2035	5.33 – 6.13%	\$294,755,000	\$193,145,000
Nov. 30, 2010	Debt service and capital improvements *	Feb. 1, 2035	2.47 – 7.29	140,290,000	82,985,000
April 1, 2015	Refunding 2006 and 2007A bonds	Feb. 1, 2035	4.00 – 5.00	594,685,000	417,475,000

* The 2009C and 2010A revenue bonds are taxable Build America Bonds. IMEA receives a 35% interest subsidy from the federal government for these bonds. During Federal fiscal years 2024 and 2023, the U.S. federal government was subject to the process of sequestration reducing spending amounts for many programs including payments to the issuers of BAB's. A 5.7% reduction in payments for the federal budget year ended September 30, 2024 and 2023, was experienced. The subsidy payment is not taken into account in the debt service displayed below.

The annual debt service and sinking fund requirements of the remaining bonds to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years ending April 30:			
2025	\$ 50,005,000	\$ 38,706,918	\$ 88,711,918
2026	51,725,000	35,867,222	87,592,222
2027	54,215,000	32,871,461	87,086,461
2028	56,805,000	29,732,542	86,537,542
2029	59,550,000	26,444,687	85,994,687
2030-2034	343,235,000	77,558,924	420,793,924
2035	78,070,000	4,044,598	82,114,598
Total	<u>\$ 693,605,000</u>	<u>\$ 245,226,352</u>	<u>\$ 938,831,352</u>

Repayment of the bonds is secured by a pledge of IMEA's revenues.

IMEA's outstanding revenue bonds contain event of default provisions with possible finance-related consequences. IMEA's management has evaluated the event of default provisions with possible finance-related consequences and in the opinion of IMEA's management; the likelihood is remote that these provisions will have a significant effect on IMEA's financial position or results of operations.

Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2024 and 2023

Committed Line of Credit

On October 29, 2010, IMEA entered into a \$25 million Committed Line of Credit agreement (LOC Agreement) with PNC Bank. Under the LOC Agreement, IMEA may draw funds and/or post standby letters of credit. The LOC Agreement was increased to \$50 million on September 1, 2012 and expires on October 31, 2025. IMEA had \$0 outstanding under the LOC Agreement as of April 30, 2024 and \$2.0 million outstanding as of April 30, 2023.

Long-term obligation activity for the year ended April 30, 2024 is as follows:

	<u>Balance 5/1/23</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 4/30/24</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 741,355,000	\$ -	\$ 47,750,000	\$ 693,605,000	\$ 50,005,000
Line of credit agreement	2,000,000	-	2,000,000	-	-
Unamortized premium	33,040,821	-	4,782,099	28,258,722	-
Other liabilities	23,251,496	89,056	7,682,649	15,657,903	-
Total	<u>\$ 799,647,317</u>	<u>\$ 89,056</u>	<u>\$ 62,214,748</u>	<u>\$ 737,521,625</u>	<u>\$ 50,005,000</u>

Long-term obligation activity for the year ended April 30, 2023 is as follows:

	<u>Balance 5/1/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 4/30/23</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 787,030,000	\$ -	\$ 45,675,000	\$ 741,355,000	\$ 47,750,000
Line of credit agreement	4,000,000	-	2,000,000	2,000,000	-
Unamortized premium	38,123,916	-	5,083,095	33,040,821	-
Other liabilities	16,495,389	20,971,082	14,214,975	23,251,496	-
Total	<u>\$ 845,649,305</u>	<u>\$ 20,971,082</u>	<u>\$ 66,973,070</u>	<u>\$ 799,647,317</u>	<u>\$ 47,750,000</u>

7. Accounting for Asset Retirement Obligations

An asset retirement obligation represents a legal obligation associated with the retirement of a tangible, long-lived asset that is incurred upon the acquisition, construction, development or normal operation of that long-lived asset.

The asset retirement obligation includes the closure of ash ponds at the Trimble County plant site and mine closure and mine reclamation at the Prairie State Generating facility. Other asset retirement obligations are not significant to these financial statements. IMEA used estimated cash flows to determine the obligation.

Illinois Municipal Electric Agency

Notes to Financial Statements
April 30, 2024 and 2023

The following table presents the details of IMEA's asset retirement obligations, which are included on the balance sheet in other noncurrent liabilities:

<u>Balance</u> <u>5/1/23</u>	<u>Liabilities</u> <u>Incurrd</u> <u>(Adjustments)</u>	<u>Accretion</u>	<u>Costs</u> <u>Incurrd</u>	<u>Balance</u> <u>4/30/24</u>
<u>\$ 15,643,662</u>	<u>\$ (103,031)</u>	<u>\$ 782,192</u>	<u>\$ (1,441,358)</u>	<u>\$ 14,881,465</u>

<u>Balance</u> <u>5/1/22</u>	<u>Liabilities</u> <u>Incurrd</u> <u>(Adjustments)</u>	<u>Accretion</u>	<u>Costs</u> <u>Incurrd</u>	<u>Balance</u> <u>4/30/23</u>
<u>\$ 15,866,571</u>	<u>\$ 918,914</u>	<u>\$ 793,330</u>	<u>\$ (1,935,153)</u>	<u>\$ 15,643,662</u>

8. Net Position

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

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

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

Unrestricted Net Position – This component of net position consists of net positions that do not meet the definition of restricted or net investment in capital assets.

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

Illinois Municipal Electric Agency

Notes to Financial Statements

April 30, 2024 and 2023

The following calculation supports the net investment in capital assets:

	<u>2024</u>	<u>2023</u>
Utility plant in service	\$ 1,329,449,580	\$ 1,277,416,535
Accumulated depreciation	(440,478,810)	(408,285,469)
Construction work in progress	37,891,445	82,252,010
Subtotal	<u>926,862,215</u>	<u>951,383,076</u>
Less capital related debt:		
Current portion of capital related long-term debt	50,005,000	47,750,000
Long-term portion of capital related long-term debt	643,600,000	693,605,000
Unamortized loss on advance refunding	(15,033,344)	(17,577,371)
Unamortized premium	28,258,722	33,040,821
Subtotal	<u>706,830,378</u>	<u>756,818,450</u>
Add unspent debt proceeds:		
Debt service reserve from borrowing	76,144,356	76,781,374
Total net investment in capital assets	<u>\$ 296,176,193</u>	<u>\$ 271,346,000</u>

The following calculation supports the amount of restricted net position:

	<u>2024</u>	<u>2023</u>
Restricted investments	\$ 97,226,562	\$ 97,716,541
Less restricted assets not funded by revenues:		
Debt service reserve account	(76,144,356)	(76,781,374)
Current liabilities payable from restricted assets	(9,570,392)	(10,183,291)
Subtotal	<u>(85,714,748)</u>	<u>(86,964,665)</u>
Total restricted net position as calculated	<u>\$ 11,511,814</u>	<u>\$ 10,751,876</u>

Illinois Municipal Electric Agency

Notes to Financial Statements
April 30, 2024 and 2023

9. Regulatory Items

IMEA has chosen to use the application of GASB No. 62 to recover certain costs in customer rates in future periods. Regulatory costs for future recovery include unamortized debt issuance costs; unrealized loss (gain) on investments represents the difference between an investment's cost and the current fair value of the asset; and other regulatory assets represents the asset impairment related to the Prairie State Jordan Grove assets. The residual value of the impaired assets are reported in IMEA capital assets. Regulatory credits include MISO ARR credits related to auction revenue rights that were higher than anticipated during rate setting. The following summarizes activity for regulatory items:

	Balance 5/1/23	Additions	Reductions	Balance 4/30/24
Regulatory costs for future recovery	\$ 1,688,727	\$ -	\$ 245,005	\$ 1,443,722
Unrealized (gain)/loss on investments	641,238	881,067	-	1,522,305
MISO ARR credits	(6,909,337)	-	6,909,337	-
Total	<u>\$ (4,579,372)</u>	<u>\$ 881,067</u>	<u>\$ 6,664,332</u>	<u>\$ 2,966,027</u>

	Balance 5/1/22	Additions	Reductions	Balance 4/30/23
Regulatory costs for future recovery	\$ 1,949,307	\$ -	\$ 260,580	\$ 1,688,727
Unrealized (gain)/loss on investments	1,288,422	-	647,184	641,238
Other regulatory assets	6,638,449	-	6,638,449	-
MISO ARR credits	-	(11,659,337)	4,750,000	(6,909,337)
Total	<u>\$ 9,876,178</u>	<u>\$ (11,659,337)</u>	<u>\$ (2,796,213)</u>	<u>\$ (4,579,372)</u>

10. Employee Retirement Plan

IMEA's employees are covered by the Illinois Municipal Electric Agency Pension Plan, a defined contribution pension plan with a 5-year vesting schedule. Benefit provisions and all other requirements are established by the board of IMEA. IMEA contributes 25% of eligible employee earnings on behalf of each employee. Employees that terminate service prior to being fully vested, forfeit the unvested portion of their account balance, which is applied to future contributions to the plan. Total pension expense was equal to total contributions to the plan made by IMEA, net of applied forfeitures. For the years ended April 30, 2024 and 2023 total contributions were \$1,018,000 and \$1,043,000, respectively.

11. Contracts and Commitments

IMEA has long-term and short-term contracts and commitments with various wholesale power suppliers to supply energy, capacity and transmission services to its members. These contracts vary in length and have flexible terms and cancellation provisions. These contracts may be material to the financial statements.

In the normal course of business, IMEA may be involved in various disputes with other parties. While management cannot predict the ultimate outcome of these disputes, total exposure is not material to IMEA's financial position or results of operation.

Illinois Municipal Electric Agency

Notes to Financial Statements
April 30, 2024 and 2023

12. Illinois Senate Bill (SB) 2408

In 2021, Illinois passed SB 2408, the Climate and Equitable Jobs Act (CEJA). The CEJA requires a 45% reduction in existing publicly owned Illinois power plant carbon dioxide emissions by January 1, 2035. If such reduction is not met by December 31, 2035, then the plant must retire one or more units or otherwise reduce carbon dioxide emissions by 45% by June 30, 2038. The CEJA further requires all publicly owned coal-fired generating units to permanently reduce carbon dioxide emission to 0 by December 31, 2045.

The CEJA does, however, provide that if the reduction of output from or the closing of any plant creates a power grid supply or reliability shortfall in the State of Illinois the plant can continue to operate until the reliability can otherwise be addressed. During the 2022/2023 planning year, Illinois was a net capacity importer. With the announced and required retirements, there is potential that Illinois will need to import even more capacity into the future.

The CEJA has a limited future impact on IMEA's ownership share of the Prairie State Generating Company, LLC (PSGC or Prairie State). The CEJA will not adversely affect IMEA's ability to pay bondholders due to all bonds maturing on February 1, 2035 or to reliably provide members with their power supply requirements. IMEA and the other owners of Prairie State have and continue to develop plans to manage the potential impacts of the CEJA. Potential impacts cannot be gauged with certainty at this time.

13. Sierra Club Lawsuit

IMEA holds a 15.17% undivided ownership interest in the Prairie State Energy Campus (PSEC) which is operated through the Prairie State Generating Company (PSGC). On October 20, 2022, the PSGC received a Notice of Intent (NOI) to file suit from the Sierra Club (SC) alleging violations of the Federal Clean Air Act. The NOI to PSGC allowed SC to file suit on or after December 19, 2022. On March 22, 2023, the SC filed a suit against PSGC. The SC alleges that PSEC is in violation of the Federal Clean Air Act because it does not have a Title V permit from the Illinois Environmental Protection Agency (IEPA). PSEC however does have and is believed to be operating legally under its Prevention of Significant Deterioration (PSD) permit from the IEPA. Therefore, IMEA does not believe the suit has merit or that it is likely to have a material impact on the finances or operations of PSEC. However, IMEA cannot be certain that the suit will not result in a material impact on the finances or operations of PSEC. On May 23, 2023, PSGC filed a Motion to Dismiss. The Court has not yet ruled on the Motion to Dismiss.

14. Emission Regulations

On May 9, 2024 the US Environmental Protection Agency (USEPA) issued rules governing greenhouse gas emissions, effluent limitations from coal-fired power plants and ozone standards. These rules are facing many legal challenges, also numerous motions to stay the new rules have been filed. If these new rules survive legal challenge, then they may have an impact on IMEA's generation sources. IMEA continues to monitor these proceedings and will take appropriate action concerning the rules, as necessary.

15. Significant Customers

IMEA has two significant customers who were responsible for 48% of operating revenue in both 2024 and 2023.

Illinois Municipal Electric Agency

Notes to Financial Statements
April 30, 2024 and 2023

16. Risk Management

IMEA is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions, workers compensation and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.



Reporting and insights from 2024 audit:

Illinois Municipal Electric Agency
Springfield, Illinois

April 30, 2024

Executive summary

July 29, 2024

Board of Directors
Illinois Municipal Electric Agency
3400 Conifer Drive
Springfield, IL 62711

We have completed our audit of the financial statements of Illinois Municipal Electric Agency (IMEA) for the year ended April 30, 2024, and have issued our report thereon dated July 29, 2024. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of IMEA's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

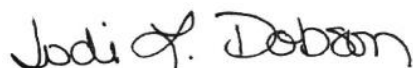
Additionally, we have included information on key risk areas IMEA should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

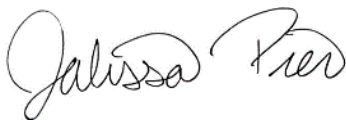
- Jodi Dobson, Principal: jodi.dobson@bakertilly.com or +1 (608) 240 2469
- Jalissa Pier, Senior Manager: jalissa.pier@bakertilly.com or +1 (608) 240 2601

Sincerely,

Baker Tilly US, LLP



Jodi Dobson, CPA, Principal



Jalissa Pier, CPA, Senior Manager

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

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Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of IMEA's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Board of Directors:
 - Are free from material misstatement
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or the Board of Directors of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the Board of Directors, including:

- Internal control matters
- Qualitative aspects of IMEA's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of IMEA and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about IMEA's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Asset retirement obligations	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures
Regulatory assets and liabilities		

Internal control matters

We considered IMEA’s internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of IMEA’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by IMEA are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during fiscal year 2024. We noted no transactions entered into by IMEA during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Asset retirement obligation	Evaluation of information provided by Prairie State and Trimble County for IMEA's proportionate share of their Facilities, and internal estimates from subject matter experts for other AROs	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for IMEA or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report.

Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as IMEA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The attachments include copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of IMEA's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and IMEA that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the IMEA's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation assistance

Audit committee resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.

Management representation letter



July 29, 2024

Baker Tilly US, LLP
4807 Innovate Ln
P.O. Box 7398
Madison, WI 53707-7398

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the Illinois Municipal Electric Agency as of April 30, 2024 and 2023 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Illinois Municipal Electric Agency and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 28, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the utility required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.

- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
- 7) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 9) There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- 10) Guarantees, whether written or oral, under which the Agency is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you the names of our related parties and all the related party relationships and transactions, including side agreements, of which we are aware.

Other

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that you have reported to us.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
- 22) The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, or net position.
- 23) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 24) There are no:
 - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.

- b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - d) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.
- 25) In regards to the nonattest services performed by you listed below, we acknowledge our responsibility related to these nonattest services and have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.
- a) Financial statement preparation assistance

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

- 26) The Illinois Municipal Electric Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The Illinois Municipal Electric Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 29) The financial statements properly classify all funds and activities.
- 30) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 31) The Illinois Municipal Electric Agency has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 32) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 33) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 34) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.

- 35) The operations and rate setting process meet the condition for application of accounting for regulated operations as outlined in GASB No. 62. All regulatory items included in the financial statements have been approved and are being accounted for in accordance with specific action taken by the regulatory body and as such the expectation of future recovery or refund is reasonable.
- 36) We have accounted for asset retirement obligations where we are a minority owner in accordance with FASB ASC 410, *Asset Retirement and Environmental Obligations* as allowed by GASB No. 83. All legal obligations, including those under the doctrine of promissory estoppels, associated with the retirement of tangible long-lived assets have been recognized. These obligations were recognized when incurred using management's best estimate of fair value. We believe the liability as presented is reasonable and fairly stated.
- 37) We have appropriately disclosed the Illinois Municipal Electric Agency's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.
- 38) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 39) We assume responsibility for, and agree with, the findings of specialists in evaluating the arbitrage rebate calculations and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
- 40) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. Our annual report is comprised of audited financial statements, comparative financial information and updates to members. We will provide you with the final version of the annual report once available, and prior to distribution to our stakeholders, such that you may complete your required procedures.
- 41) The Illinois Municipal Electric Agency is not aware of any subsequent events related to Prairie State Generating Company or the Trimble County Generating Facility that would affect the Agency's financial statements.
- 42) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as leases.
- 43) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as subscription-based information technology arrangements.

44) With respect to the examination:

- a. The Illinois Municipal Electric Agency complied with the terms and covenants of Articles V and VII of the indenture between The Illinois Municipal Electric Agency and the trustee dated June 1, 2006 during the year ended April 30, 2024.
- b. The Illinois Municipal Electric Agency is responsible for the fair presentation of the accompanying Supplemental Schedule of Trust Indenture and Account Activity based on the terms and covenants of Articles V and VII of the indenture between The Illinois Municipal Electric Agency and the trustee.
- c. The Illinois Municipal Electric Agency is responsible for adopting sound accounting policies, establishing and maintaining the related internal controls and preventing and detecting fraud.
- d. The Supplemental Schedule of Trust Indenture and Account Activity is in conformity with the terms and covenants of Articles V and VII of the indenture between The Illinois Municipal Electric Agency and the trustee dated June 1, 2006 during the year ended April 30, 2024.
- e. We are responsible for selecting the criteria and for determining that the criteria are appropriate for our purposes.
- f. There have been no –
 - i. Irregularities involving management or employees who have significant roles in the internal accounting and administrative control structure related to the related assertion.
 - ii. Irregularities involving other employees that could have a material effect on the related assertion.
 - iii. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, the accounting records or reports submitted that could have a material effect on the related assertion.
- g. We have responded to all inquiries made to us by you and made available to you all financial records and related data during the engagement.
- h. We are responsible for the compliance with laws and regulations applicable to, and we have identified, and disclosed to you any violations or possible violations of the laws and regulations that have a direct and material effect on the related assertion.
- i. There are no material transactions that have not been properly recorded in the accounting records related to information included in the Supplemental Schedule of Trust Indenture and Account Activity.
- j. There has been no:
 - i. Fraud involving management or employees who have significant roles in internal control.
 - ii. Fraud involving others that could have a material effect on the related assertion.
- k. We have no plans or intentions that may materially affect the carrying value or classification of the trust account activity or balances.
- l. We intend to distribute your report to the management of and the Board of Directors of The Illinois Municipal Electric Agency, and the trustee. It is not intended to be and should not be used by anyone other than those specified parties.

- m. We have disclosed to you all events subsequent to April 30, 2024 that would have a material effect on the Supplemental Schedule of Trust Indenture and Account Activity, that is in conformity with the terms and covenants of Articles V and VII of the indenture between The Illinois Municipal Electric Agency and the trustee dated June 1, 2006 during the year ended April 30, 2024.

Sincerely,

Illinois Municipal Electric Agency

Signed:



Signed:



Client service team



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Accounting changes relevant to Illinois Municipal Electric Agency

Future accounting standards update

GASB Statement Number	Description	Potentially impacts you	Effective date
100	Accounting Changes and Error Corrections	✓	4/30/24
101	Compensated Absences	✓	4/30/25
102	Certain Risk Disclosures	✓	4/30/25
103	Financial Reporting Model Improvements	✓	4/30/26

Further information on upcoming [GASB pronouncements](#).

Revised guidance for accounting changes and error corrections

GASB Statement No. 100, *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*, seeks to provide more understandable, reliable, relevant, consistent and comparable information for making decisions and assessing accountability.

The standard establishes the following categories:

1. Accounting changes, which is comprised of:
 - a. Changes in accounting principles - result from a change from one generally accepted accounting principle to another that is justified on the basis that the newly adopted principle is preferable to the previously applied principle, or the implementation of a new pronouncement.
 - b. Changes in accounting estimates - occur when inputs change due to a change in circumstances, new information, or more experience. Note that the focus is on changes to the inputs used; a change in the value of an input such as an annual inflation update does not require disclosure under this standard.
 - c. Changes to or within the financial reporting entity - result from the addition or removal of a fund that results from the movement of continuing operations (such as moving sanitation operation from the general fund to its own separate fund), a change in a fund's presentation as major or nonmajor, the addition or removal of a component unit (with certain exceptions), or a change in a component unit's presentation as blended or discretely presented.
2. Error corrections - result from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time of the financial statements were issued (i.e., facts that could reasonably be expected to have been obtained and considered at that time).

A summary of the reporting impact of each category is as follows:

Accounting changes				
Reporting considerations	Change in accounting principle	Change in estimate	Change to the financial reporting entity	Correction of an error
Basic financial statement schedules:	Restate earliest period presented	Report prospectively	Adjust current year beginning balances	Restate earliest period presented
Required supplementary information & supplementary information:	Should match the financial statement presentation noted above; no adjustments to earlier periods needed			Restate all periods impacted
Additional disclosures?	Yes	Yes	Yes	Yes

IMEA should become familiar with the new guidance in advance of the implementation effective date.

Updated accounting and reporting for compensated absences

The Governmental Accounting Standards Board (GASB) issued its Statement No. 101, *Compensated Absences*, in June 2022. The objective of GASB 101 is to update the recognition and measurement guidance for compensated absences for state & local government employers. It supersedes GASB No. 16, *Accounting for Compensated Absences*, issued in 1992, as well as earlier guidance, and addresses changes resulting from the types of leave now being offered. GASB 101 is effective for fiscal years beginning after December 15, 2023 (i.e., December 31, 2024, and June 30, 2025 year-end reporting entities).

GASB 101 more appropriately reflects a liability *when* a government incurs an obligation for compensated absences, and will improve comparability of reporting between governments that offer different types of leave. It requires that liabilities be recognized for (1) leave that has not been used, and (2) leave that has been used but not yet paid in cash or settled-up via non-cash means. Compensated absences is defined as leave for which employees may receive one or more of the following:

- Cash payments when the leave is used for time off;
- Other cash payments, such as payment for unused leave upon termination of employment, or;
- Noncash settlements, such as conversion to defined benefit postemployment benefits.

Examples of compensated absences provided in GASB 101 include vacation, sick leave, paid time off (PTO), holidays, parental leave, bereavement leave and certain types of sabbatical leave. Payment or settlement of compensated absences could occur during employment, or upon termination of employment. GASB 101 does not apply to benefits that are within the scope of GASB 47, *Accounting for Termination Benefits*.

GASB 101 requires that a liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered;
- The leave accumulates, and;
- The leave is “more likely than not” (i.e., likelihood of more than 50%) to be used for time off or otherwise paid in cash or settled through noncash means (101 provides factors to assess this criteria). (This differs from GASB 16, which required payment to be “probable” to be recognized).

Under GASB 101, governments will now need to accrue for time that has accumulated and is likely to be used, even if the employee is not eligible for a payout upon termination. This was not a requirement under GASB 16, and thus may result in a higher compensated absence liability.

GASB 101 requires liabilities for compensated absences to be recognized in financial statements prepared using the economic resources measurement focus equal to the amount of leave that has not yet been used and leave that has been used but not yet paid or settled. GASB 101 did not change the report for financial statements prepared using the current financial resources measurement focus (i.e., governmental funds).

Other changes in financial statement disclosures include the change in compensated absences liability can now be disclosed as a net change, rather than gross increases/decreases in the liability. Also, governments are no longer required to disclose which fund has typically liquidated the liability.

We recommend that governments begin to review the guidance contained in GASB 101 within the context of your existing compensated absences policies and accounting practices, in order to be better informed in terms of the information that you will need for this implementation.

New guidance on disclosure of certain risks

The requirements in GASB Statement No. 102, *Certain Risk Disclosures* is meant to provide financial statement users with information about certain risks when circumstances make a government vulnerable to a heightened possibility of loss or harm. It requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.

- (a) The Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources—for example, a small number of companies that represent a majority of employment in a government’s jurisdiction, or a government that relies on one revenue source for most of its revenue.
- (b) The Statement defines a constraint as a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority—such as a voter-approved property tax cap or a state-imposed debt limit.

Concentrations and constraints may limit a government’s ability to acquire resources or control spending.

The Statement generally requires a government to disclose information about a concentration or constraint if all of the following criteria are met:

- (a) The concentration or constraint is *known* to the government prior to issuing the financial statements.
- (b) The concentration or constraint makes the government vulnerable to the risk of a substantial impact.

(c) An event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The disclosures should include a description of the following:

- The concentration or constraint,
- Each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the issuance of the financial statements, and
- Actions taken by the government to mitigate the risk prior to the issuance of the financial statements.

Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

- e. In connection with our audit, we intend to place reliance on the audit of the financial statements of Prairie State Generation Company, LLC, a power supply partner of IMEA, as of December 31, 2023 and for the year then ended completed by Forvis, LLP. All necessary conditions have been met to allow us to make reference to the component auditors.
- f. In connection with our audit, we have requested that Forvis, LLP perform work on the financial information of Prairie State Generation Company, LLC, a power supply partner of IMEA, as of December 31, 2023 and for the year then ended. We intend to evaluate and, if considered necessary, use the work of Forvis, LLP for our audit of the group financial statements of IMEA, and we may consider it necessary to be further involved in their work.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that IMEA will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of April-May, and sometimes early in June. Our final financial fieldwork is scheduled during June to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

**RESOLUTION ACCEPTING AND APPROVING NEW
POWER SALES CONTRACT AND CAPACITY PURCHASE AGREEMENT
FOR THE PERIOD OCTOBER 1, 2035 THROUGH MAY 31, 2055
WITH THE CITY OF CARLYLE**

WHEREAS, the Illinois Municipal Electric Agency (“IMEA”) is organized under the Illinois Joint Municipal Electric Power Act, 65 ILCS 5/11-119.1-1 *et seq.* (the “Act”) as a municipal power agency, and it provides electric power and energy and related services to its member municipalities that own and operate their own municipal electric utility systems; and

WHEREAS, the Board of Directors has previously approved, and IMEA has heretofore entered into long-term Power Sales Contracts, as amended, with each of its thirty-two member municipalities (“Participating Members”) to provide the full requirements of their respective electric systems through September 30, 2035, and Capacity Purchase Agreements, as amended, with each of its Participating Members that owns and operates behind the meter generating resources pursuant to which such Participating Members have dedicated such generating resources to IMEA’s control and use through September 30, 2035; and

WHEREAS, by Resolution 24-02-896, the Board of Directors approved the terms and conditions in and the form of a new Power Sales Contract and new Capacity Purchase Agreement for the period October 1, 2035 through May 31, 2055, and authorized the President & CEO to offer each Participating Member a contract for the supply of power and energy and a companion agreement to each such Participating Member that owns and operates behind the meter generating resources for the dedication thereof to IMEA in connection with the supply of power and energy substantially in the form thereof; and

WHEREAS, IMEA has tendered such new Power Sales Contracts and Capacity Purchase Agreements to the Members, and the City of Carlyle has accepted, approved, and fully executed the new Power Sales Contract and new Capacity Purchase Agreement, and agreed to be bound by the terms and conditions thereof; the new Power Sales Contract and new Capacity Purchase Agreement executed by the City of Carlyle is in substantially the same form as approved in Resolution 24-02-896; and

WHEREAS, it is appropriate at this time for the Board of Directors to accept and approve the new Power Sales Contract and new Capacity Purchase Agreement with the City of Carlyle.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ILLINOIS MUNICIPAL ELECTRIC AGENCY:

Section 1. The Board of Directors of the Illinois Municipal Electric Agency hereby accepts and approves the new Power Sales Contract and new Capacity Purchase Agreement executed by the City of Carlyle for the period October 1, 2035 through May 31, 2055.

Section 2. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes the President & CEO of IMEA to execute the new Power Sales Contract and new Capacity Purchase Agreement executed by the City of Carlyle.

Section 3. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes the President & CEO to take all steps and execute any and all documents and agreements reasonably necessary or appropriate to implement and administer the new Power Sales Contract and new Capacity Purchase Agreement approved hereby.

Section 4. This Resolution shall take effect immediately upon its passage.

ADOPTED: _____, 2024

SIGNED: _____, 2024

BY: _____

Chairman

ATTEST: _____

Secretary/Treasurer

**RESOLUTION ACCEPTING AND APPROVING NEW
POWER SALES CONTRACT AND CAPACITY PURCHASE AGREEMENT
FOR THE PERIOD OCTOBER 1, 2035 THROUGH MAY 31, 2055
WITH THE CITY OF RED BUD**

WHEREAS, the Illinois Municipal Electric Agency (“IMEA”) is organized under the Illinois Joint Municipal Electric Power Act, 65 ILCS 5/11-119.1-1 *et seq.* (the “Act”) as a municipal power agency, and it provides electric power and energy and related services to its member municipalities that own and operate their own municipal electric utility systems; and

WHEREAS, the Board of Directors has previously approved, and IMEA has heretofore entered into long-term Power Sales Contracts, as amended, with each of its thirty-two member municipalities (“Participating Members”) to provide the full requirements of their respective electric systems through September 30, 2035, and Capacity Purchase Agreements, as amended, with each of its Participating Members that owns and operates behind the meter generating resources pursuant to which such Participating Members have dedicated such generating resources to IMEA’s control and use through September 30, 2035; and

WHEREAS, by Resolution 24-02-896, the Board of Directors approved the terms and conditions in and the form of a new Power Sales Contract and new Capacity Purchase Agreement for the period October 1, 2035 through May 31, 2055, and authorized the President & CEO to offer each Participating Member a contract for the supply of power and energy and a companion agreement to each such Participating Member that owns and operates behind the meter generating resources for the dedication thereof to IMEA in connection with the supply of power and energy substantially in the form thereof; and

WHEREAS, IMEA has tendered such new Power Sales Contracts and Capacity Purchase Agreements to the Members, and the City of Red Bud has accepted, approved, and fully executed the new Power Sales Contract and new Capacity Purchase Agreement, and agreed to be bound by the terms and conditions thereof; the new Power Sales Contract and new Capacity Purchase Agreement executed by the City of Red Bud is in substantially the same form as approved in Resolution 24-02-896; and

WHEREAS, it is appropriate at this time for the Board of Directors to accept and approve the new Power Sales Contract and new Capacity Purchase Agreement with the City of Red Bud.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ILLINOIS MUNICIPAL ELECTRIC AGENCY:

Section 1. The Board of Directors of the Illinois Municipal Electric Agency hereby accepts and approves the new Power Sales Contract and new Capacity Purchase Agreement executed by the City of Red Bud for the period October 1, 2035 through May 31, 2055.

Section 2. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes the President & CEO of IMEA to execute the new Power Sales Contract and new Capacity Purchase Agreement executed by the City of Red Bud.

Section 3. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes the President & CEO to take all steps and execute any and all documents and agreements reasonably necessary or appropriate to implement and administer the new Power Sales Contract and new Capacity Purchase Agreement approved hereby.

Section 4. This Resolution shall take effect immediately upon its passage.

ADOPTED: _____, 2024

SIGNED: _____, 2024

BY: _____

Chairman

ATTEST: _____

Secretary/Treasurer

**RESOLUTION ACCEPTING AND APPROVING NEW
POWER SALES CONTRACT
FOR THE PERIOD OCTOBER 1, 2035 THROUGH MAY 31, 2055
WITH THE VILLAGE OF RIVERTON**

WHEREAS, the Illinois Municipal Electric Agency (“IMEA”) is organized under the Illinois Joint Municipal Electric Power Act, 65 ILCS 5/11-119.1-1 *et seq.* (the “Act”) as a municipal power agency, and it provides electric power and energy and related services to its member municipalities that own and operate their own municipal electric utility systems; and

WHEREAS, the Board of Directors has previously approved, and IMEA has heretofore entered into long-term Power Sales Contracts, as amended, with each of its thirty-two member municipalities (“Participating Members”) to provide the full requirements of their respective electric systems through September 30, 2035, and Capacity Purchase Agreements, as amended, with each of its Participating Members that owns and operates behind the meter generating resources pursuant to which such Participating Members have dedicated such generating resources to IMEA’s control and use through September 30, 2035; and

WHEREAS, by Resolution 24-02-896, the Board of Directors approved the terms and conditions in and the form of a new Power Sales Contract and new Capacity Purchase Agreement for the period October 1, 2035 through May 31, 2055, and authorized the President & CEO to offer each Participating Member a contract for the supply of power and energy and a companion agreement to each such Participating Member that owns and operates behind the meter generating resources for the dedication thereof to IMEA in connection with the supply of power and energy substantially in the form thereof; and

WHEREAS, IMEA has tendered such new Power Sales Contracts and Capacity Purchase Agreements to the Members, and the Village of Riverton has accepted, approved, and fully executed the new Power Sales Contract, and agreed to be bound by the terms and conditions thereof; the new Power Sales Contract executed by the Village of Riverton is in substantially the same form as approved in Resolution 24-02-896; and

WHEREAS, it is appropriate at this time for the Board of Directors to accept and approve the new Power Sales Contract with the Village of Riverton.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ILLINOIS MUNICIPAL ELECTRIC AGENCY:

Section 1. The Board of Directors of the Illinois Municipal Electric Agency hereby accepts and approves the new Power Sales Contract executed by the Village of Riverton for the period October 1, 2035 through May 31, 2055.

Section 2. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes the President & CEO of IMEA to execute the new Power Sales Contract executed by the Village of Riverton.

Section 3. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes the President & CEO to take all steps and execute any and all documents and agreements reasonably necessary or appropriate to implement and administer the new Power Sales Contract approved hereby.

Section 4. This Resolution shall take effect immediately upon its passage.

ADOPTED: _____, 2024

SIGNED: _____, 2024

BY: _____

Chairman

ATTEST: _____

Secretary/Treasurer

**RESOLUTION APPROVING SOLAR GENERATION PROJECTS
IN THE CITIES OF CARMI, HIGHLAND AND METROPOLIS**

WHEREAS, the Board of Directors of the Illinois Municipal Electric Agency (“IMEA” or “Agency”) has previously adopted a solar energy resource program (Resolution No. 15-06-773) pursuant to which IMEA may sponsor one or more solar energy generation projects in one or more member municipalities as approved by the Board on a case by case basis; IMEA has previously sponsored six such projects, two in Rantoul and one each in St. Charles, Altamont, Naperville and Rock Falls, and has three additional projects under development, one each in Marshall, Oglesby and Princeton; and

WHEREAS, a new opportunity has arisen with a vendor, SolAmerica Energy Holdings, LLC (“SolAmerica”), that is seeking to develop solar photovoltaic projects using partially forgivable Powering Affordable Clean Energy (“PACE”) loans awarded by the United States Department of Agriculture (“USDA”) under Section 22001 of the Inflation Reduction Act (Pub. L. 117-169; 7 USC § 8103(h)); and

WHEREAS, this opportunity is different than the solar energy resource program previously adopted by the Board, but similar, in that the project would be located in a Member community; would be directly interconnected to the Member’s local electric distribution system; and would require a power purchase agreement between the vendor and IMEA, with the project becoming a Delivery Point under the Power Sales Contract between IMEA and the Member; and the vendor would sell the output and attributes of the project to IMEA; but the vendor would lease the site for the project directly from the local property owner rather than the Member site hosting the project by providing an easement to use Member-owned land; there would be no IMEA selection process for the location or vendor to develop and own the project due to the project being vendor-initiated; and

WHEREAS, IMEA staff has been working with SolAmerica on possible projects to be constructed, owned and operated by affiliates of SolAmerica and connected to the distribution systems of the Cities of Carmi, Highland and Metropolis, as well as the Village of Rantoul Members’ which range in size from approximately 1.5 to 6.9 MW_{AC}; and

WHEREAS, IMEA and the applicable Members have been working with SolAmerica in obtaining partially forgivable PACE loans for the solar photovoltaic projects, which will make the output thereof attractive to IMEA’s long-term portfolio; and SolAmerica applied for and was among the PACE loan applicants invited to the second round of the application process which required that SolAmerica submit a full application to USDA, which SolAmerica timely submitted; and

WHEREAS, SolAmerica has conducted interconnection studies for the possible sites and found that while Carmi, Highland and Metropolis sites were cleared to proceed, the Rantoul site could not support the project due to delivery feasibility concerns; and

WHEREAS, several issues need to be addressed prior to finalizing any agreement between IMEA and SolAmerica, including (a) finding a suitable alternate location in lieu of the Rantoul

site; (b) finalizing negotiations on acceptable power purchase agreement terms between IMEA and SolAmerica; (c) arranging interconnection agreements between SolAmerica and each of Carmi, Highland and Metropolis; (d) finalizing agreements between IMEA and each of the said Members to determine rights of assignment of the power purchase agreements' obligations if needed; and (e) approval of funding under PACE by the USDA and SolAmerica's acceptance of said USDA terms; and

WHEREAS, it is appropriate at this time for the Board of Directors to formally approve the three sites to be connected to distribution systems of the Cities of Carmi, Highland and Metropolis, and authorize the President & CEO to take all actions necessary or appropriate to affirm IMEA's interest; further assist SolAmerica as necessary in the PACE loan application process; and finalize negotiations and execute long-term power purchase agreements whereby IMEA will purchase the output and other attributes from the solar photovoltaic projects.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ILLINOIS MUNICIPAL ELECTRIC AGENCY:

Section 1. The findings and determinations set forth in the recitals of this Resolution are hereby made findings and determinations of the Board of Directors of the Illinois Municipal Electric Agency and are incorporated into the body of this Resolution as if set forth in full.

Section 2. The Board of Directors of the Illinois Municipal Electric Agency hereby approves the expansion of the previously approved solar energy resource program to include the types of projects described in the recitals. The Board hereby approves IMEA's sponsorship of three new sites for solar photovoltaic projects to be designed, constructed, owned and operated by SolAmerica and its affiliates, the output thereof sold to IMEA, under one or more power purchase agreements. Solar photovoltaic projects with nameplate capabilities of approximately (a) 2.384 MW_{AC}, (b) 6.867 MW_{AC} and (c) 1.489 MW_{AC} shall be respectively connected to the distribution systems of the Cities of Carmi, Highland and Metropolis, each on land leased or otherwise controlled by SolAmerica and its affiliates.

Section 3. The Board of Directors hereby authorizes and empowers the President & CEO to negotiate, accept, approve and finalize and to execute Power Purchase Agreements with affiliates of SolAmerica; assignment agreements with each Member as necessary or appropriate; and any and all other agreements necessary or appropriate in the implementation of the three new solar photovoltaic projects. The President & CEO shall advise the Board regularly on the progress of the negotiation and execution of such agreements.

Section 4. The Board of Directors of the Illinois Municipal Electric Agency hereby further authorizes the President & CEO to take all steps and execute any and all agreements and other documents necessary or appropriate in the implementation of the three new solar photovoltaic projects and to implement the Power Purchase Agreements and the other related agreements during the terms thereof. The execution by the President & CEO of all such agreements and other documents is hereby approved, ratified and confirmed.

Section 5. The Board of Directors of the Illinois Municipal Electric Agency hereby approves the interconnection points between the new solar generation facilities and the electric distribution systems of Carmi, Highland and Metropolis as new Delivery Points under the Power Sales Contract between IMEA and the respective Members. Upon completion of each such facility, the President & CEO, or such other employee of IMEA as he shall designate, is authorized to and shall issue a revised Schedule A of the Power Sales Contract to reflect the new Delivery Point and the new Point of Metering, and such revised Schedule A shall become effective as of the in-service date of such facility.

Section 6. This resolution shall take effect immediately upon its passage.

ADOPTED: _____, 2024 SIGNED: _____, 2024

BY: _____
Chairman

ATTEST: _____
Secretary/Treasurer

IMEA Executive Board 2024-2025

Cory Sheehy, Marshall (Chairman)

Brian Groth, Naperville (Vice Chairman)

Dan Cook, Highland (Secretary/Treasurer)

David Coston, Carmi

Pat McCarthy, Chatham

~~Sue McLaughlin, Farmer City~~ Robert Coble, Flora

John Tolan, Freeburg

Peter Suhr, St. Charles

Mike Kirk, Sullivan

**RESOLUTION APPROVING LIMITED WAIVER
FOR THE VILLAGE OF WINNETKA REGARDING THE
IMEA MEMBER GENERATION POLICY**

WHEREAS, the Illinois Municipal Electric Agency (“IMEA” or “Agency”), in furtherance of its obligation under the Power Sales Contracts entered into with all its Member municipalities, the Agency plans for and takes all necessary steps to meet the long term, full requirements power and energy needs of the Members; the Agency has assembled a portfolio of capacity and energy resources consisting of, among other resources, member-owned generation dedicated to the Agency through Capacity Purchase Agreements with certain Members; and

WHEREAS, the IMEA Board of Directors, under Resolution 93-06-278, approved and adopted a Member Generation Policy to supplement the Capacity Purchase Agreements in governing the relationship between the Agency and the Members’ dedicated generation resources, as well as non-dedicated generation resources owned by certain individual Members, which has been updated and revised from time to time; and

WHEREAS, the Capacity Purchase Agreement and the currently effective Member Generation Policy state that Members must notify the Agency if any of its Generating Facilities experience outages of any kind, and the Policy has provisions regarding dedicated generator outages caused by significant equipment failure; the Policy provides that Members shall be permitted to transfer the Dedicated Capacity associated with a retiring unit to replacement generation facilities; Section D.2 of the Policy provides that such replacement generation shall be built and placed in service and tested within one year of the retirement; and

WHEREAS, the Village of Winnetka (“Winnetka,” or the “Village”) owns an 8,700 kW steam generation unit (“Unit 4”) that is dedicated for IMEA use under its Capacity Purchase Agreement, but the said Unit 4 experienced significant equipment failure and the Village Council took affirmative action to evaluate the damage and adopted a plan of action for the retirement and replacement of the generating unit; and

WHEREAS, the Village formally notified the Agency that Unit 4 will not be returned to service but instead be retired and replaced with replacement Generating Facilities and further stated that the one-year replacement deadline under the Member Generation Policy may not be a reasonably sufficient time to install the replacement generation due to permitting, supply chain and labor constraints not within the Village’s control; the Village is located in Cook County, which is in a Nonattainment Area; as such, it is anticipated that the regulatory permitting process could potentially take 24 months, in addition to the 13 month manufacturing lead time for new generation; based on these time periods and allowing additional time for the physical installation of the generating units, the Village is targeting to have the new generating units placed in service in or before 2030; and

WHEREAS, Winnetka has requested by letter dated June 4, 2024, a copy of which is attached hereto, and IMEA staff recommends, that the Board of Directors approve a limited waiver of the one-year deadline to replace Generating Facilities under Section D.2 of the Member

Generation Policy for Winnetka because twelve months is not a reasonably sufficient timeframe for the Village to permit, plan, procure, and construct replacement generation; and

WHEREAS, it is reasonable and appropriate to approve a waiver of the one-year Generating Facility replacement timeline under the Member Generation Policy at this time as opposed to considering a possible revision to the Policy to address permitting, supply chain and labor constraint timing issues that are not within the Members’ control; Winnetka is the only Member seeking to replace the Dedicated Capacity of a retired unit under these circumstances at this time; and the waiver is reasonable in relation to ongoing permitting, supply chain and labor constraints.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ILLINOIS MUNICIPAL ELECTRIC AGENCY:

Section 1. The findings and determinations set forth in the recitals of this Resolution are hereby made findings and determinations of the Board of Directors of the Illinois Municipal Electric Agency and are incorporated into the body of this Resolution as if set forth in full.

Section 2. The Board of Directors of the Illinois Municipal Electric Agency hereby grants and approves a waiver of the one-year deadline for building, installing and testing replacement generation under Section D.2 of the Member Generation Policy for the Village of Winnetka’s retired Unit 4. Winnetka shall fully comply with all other requirements of the Member Generation Policy and the Capacity Purchase Agreement in connection with the installation of such replacement generation facilities.

Section 3. The Board of Directors of the Illinois Municipal Electric Agency hereby authorizes and empowers the President & CEO to continue to administer the Member Generation Policy in connection with the replacement generation facilities for the Village of Winnetka’s retired Unit 4, subject to the waiver granted herein, and to take all steps and execute any and all documents reasonably necessary or appropriate in connection with such administration. The execution by the President & CEO of all such documents is hereby approved, ratified and confirmed.

Section 4. This resolution shall take effect immediately upon its passage.

ADOPTED: _____, 2024 SIGNED: _____, 2024

BY: _____
Chairman

ATTEST: _____
Secretary/Treasurer



*Office of the Water & Electric Department
847.716.3558*

June 4, 2024

Attn: Mr. Kevin Gaden
President & CEO
Illinois Municipal Electric Agency
3400 Conifer Drive
Springfield, IL 62711

Re: Winnetka Replacement Generation

Kevin,

As you are aware, Winnetka Unit #4 was taken out of service (i.e., forced outage) on July 12, 2023, after exhibiting significant vibrations. An internal inspection of the unit concluded that the estimated repair cost was approximately \$1 million, not inclusive of any additional repairs identified after the turbine was taken offsite for non-destructive evaluation.

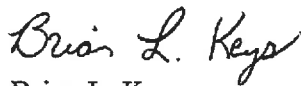
On February 14, 2024, the Village formally notified IMEA that Winnetka Steam Turbine #4 would not be returned to service. Unit #4 had a Declared Net Capacity of 8,700 kW. As the unit experienced a forced outage, the Village was unable to provide the one-year advance notice of this retirement decision.

In 2025, the Village would like to commence preliminary design engineering work for the installation of two or three new generating units (est. 2,450 kW each). At the completion of the preliminary engineering, the Village would then consider proceeding with detailed engineering, regulatory permitting and the subsequent purchase of generating units. As the Village is in Cook County, a Nonattainment Area, it is our understanding that the regulatory permitting process could potentially take 24 months. In addition, the manufacturing lead time for new generating units is currently 13 months. Based on these time periods and allowing additional time for the physical installation of the generating units, the Village is targeting to have the new generating units placed in service in 2030.

IMEA's Member Generation Policy requires that replacement generation facilities shall be installed and placed in service and tested within one year of the changes in status (i.e. retirement) of the unit. The Generation Policy also requires any Participating Member desiring to add capacity to its system to advise the Generation Committee of its intention to add or replace such additional capacity at least one year prior to the Member's approval of funding for such capacity.

The Village of Winnetka respectfully requests that the Generation Committee and IMEA Board of Directors consider a waiver of the 1 year time period for the replacement of retired generation or as an alternative, consider approval of up to three new generating units with a total capacity not to exceed 8,700 kW. Without the surety that IMEA will accept the proposed new engines as dedicated capacity with a minimum capacity payment of \$3.20/kilowatt-month, the Village is unlikely to expend additional funds to undertake the lengthy process required to install the generating units.

Thanks in advance for the Board of Directors' consideration of this request.



Brian L. Keys
Strategic Development Manager
Village of Winnetka
(& Winnetka's IMEA Board Member)

cc: Robert M. Bahan, Village Manager
Nicholas Narhi, Director of Water & Electric



Financial Statements as of May 31, 2024



Illinois Municipal Electric Agency

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Unaudited Financial Statements as of May 31, 2024



Illinois Municipal Electric Agency

STATEMENT OF NET POSITION

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
<u>UTILITY PLANT IN SERVICE</u>		
Prairie State	\$933,039,682.79	\$928,615,235.12
Trimble County Units 1 & 2	379,499,038.16	332,704,468.68
Mobile Generation Equipment	3,214,844.57	3,214,844.57
Winnetka 138 Interconnect	500,000.00	500,000.00
Other Property and Equipment	13,245,511.77	13,068,621.09
Total Utility Plant in Services (at cost)	<u>1,329,499,077.29</u>	<u>1,278,103,169.46</u>
Less: Accumulated Depreciation	<u>(443,422,853.46)</u>	<u>(410,807,538.77)</u>
Net Utility Plant in Service	<u>886,076,223.83</u>	<u>867,295,630.69</u>
<u>CONSTRUCTION WORK IN PROGRESS</u>		
Prairie State	7,408,937.14	7,275,385.34
Trimble County Station	31,565,297.09	75,157,055.11
Net Construction Work in Progress	<u>38,974,234.23</u>	<u>82,432,440.45</u>
<u>RESTRICTED ASSETS</u>	<u>104,141,989.13</u>	<u>104,453,129.80</u>
<u>CURRENT ASSETS</u>		
Cash	73,790,737.69	70,860,003.96
Short-term Investments	37,606,877.66	35,460,361.55
Accounts Receivable	26,999,003.87	21,657,766.83
Renewable Energy Credits	1,411,891.32	1,385,606.09
Collateral Held for Others	523,487.07	509,153.90
Prepayments	29,211,470.51	27,108,918.34
Total Current Assets	<u>169,543,468.12</u>	<u>156,981,810.67</u>
<u>OTHER ASSETS</u>		
Unamortized Debt Expense	1,424,309.62	1,667,974.77
Prairie State-Other LT Assets	407,419.83	325,510.41
Change in Market Value of Investments	1,243,733.97	1,051,269.75
Other Deferred Assets	0.00	0.00
Total Other Assets	<u>3,075,463.42</u>	<u>3,044,754.93</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Total Deferred Outflows of Resources	<u>14,831,731.49</u>	<u>17,361,905.81</u>
TOTAL ASSETS	<u><u>\$1,216,643,110.22</u></u>	<u><u>\$1,231,569,672.35</u></u>



Illinois Municipal Electric Agency

STATEMENT OF NET POSITION

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
<u>NET POSITION</u>	<u>\$449,893,780.85</u>	<u>\$403,734,660.66</u>
 <u>NON-CURRENT LIABILITIES</u>		
Revenue Bonds (excludes current maturities)	643,600,000.00	693,605,000.00
Unamortized Premium	27,879,742.74	32,635,803.11
Other Long-term Debt-PNC LOC	0.00	0.00
Other Liabilities	16,035,091.75	16,720,982.93
Other Deferred Liabilities	0.00	6,920,833.35
Total Non-Current Liabilities	<u>687,514,834.49</u>	<u>749,882,619.39</u>
 <u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Expenses		
Accounts Payable		
Purchased Power	8,116,805.29	8,113,393.55
Jointly-owned facilities	7,451,937.83	7,538,737.92
Other	94,992.92	132,691.32
Collateral Due to Others	524,688.52	510,262.88
Other Current Liabilities	174,210.31	177,027.49
Total Accounts Payable and Accrued Expenses	<u>16,362,634.87</u>	<u>16,472,113.16</u>
Current Liabilities Payable from Restricted Assets		
Current Maturities of Revenue Bonds	50,005,000.00	47,750,000.00
Interest Accrued	12,866,860.01	13,730,279.14
Total Current Liabilities	<u>79,234,494.88</u>	<u>77,952,392.30</u>
 Total Liabilities	 <u>766,749,329.37</u>	 <u>827,835,011.69</u>
 TOTAL NET POSITION AND LIABILITIES	 <u>\$1,216,643,110.22</u>	 <u>\$1,231,569,672.35</u>



Illinois Municipal Electric Agency

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	One Month Ended May 31, 2024	One Month(s) Ended May 31, 2024	One Month(s) Ended May 31, 2023
<u>OPERATING REVENUES</u>			
Sales to Members	\$24,776,792.80	\$24,776,792.80	\$23,584,452.26
Sales to Others	0.00	0.00	0.00
Other Electric Revenue	0.00	0.00	0.00
Membership Assessments	0.00	0.00	0.00
Other income	(39,305.58)	(39,305.58)	47,942.00
Total Operating Revenues	24,737,487.22	24,737,487.22	23,632,394.26
<u>OPERATING EXPENSES</u>			
Purchased power	2,712,002.65	2,712,002.65	3,201,593.33
Transmission	5,156,413.62	5,156,413.62	3,186,204.78
Trimble County Units 1 & 2:			
Fuel	2,088,014.83	2,088,014.83	1,487,588.88
Operations and Maintenance	553,503.97	553,503.97	949,885.56
Prairie State Generating Company:			
Fuel	1,625,312.46	1,625,312.46	1,431,709.05
Operations and Maintenance	2,353,868.51	2,353,868.51	2,048,611.15
Member Payments:			
Fuel Reimbursements	48,722.28	48,722.28	74,128.05
Capacity Payments	678,304.40	678,304.40	738,903.40
Generation Payments	108.83	108.83	37.47
Other Utility Operations	159,879.13	159,879.13	185,892.14
Administration and General	871,289.18	871,289.18	930,245.90
Depreciation & Depletion Expense	3,035,022.40	3,035,022.40	2,962,598.88
Total Operating Expenses	19,282,442.26	19,282,442.26	17,197,398.59
Operating Income	5,455,044.96	5,455,044.96	6,434,995.67
<u>NON-OPERATING REVENUE (EXPENSES)</u>			
Interest Income	830,429.08	830,429.08	721,872.32
Interest Expense on Revenue Bonds	(3,296,468.27)	(3,296,468.27)	(3,546,988.78)
Interest Expense on PNC LOC	0.00	0.00	(9,541.66)
Federal BABS Revenue	572,031.00	572,031.00	409,370.77
State Grant Revenue (Expense)	0.00	0.00	0.00
Interest Charged to Construction	0.00	0.00	0.00
Amortization Expense	157,953.55	157,953.55	168,800.83
Other Revenue	6,248.46	6,248.46	0.00
Total Non-Operating Expenses	(1,729,806.18)	(1,729,806.18)	(2,256,486.52)
CHANGE IN NET POSITION	3,725,238.78	3,725,238.78	4,178,509.15
Net Position - Beginning of Period	446,168,542.07	446,168,542.07	399,556,151.51
NET POSITION - END OF PERIOD	\$449,893,780.85	\$449,893,780.85	\$403,734,660.66



Illinois Municipal Electric Agency

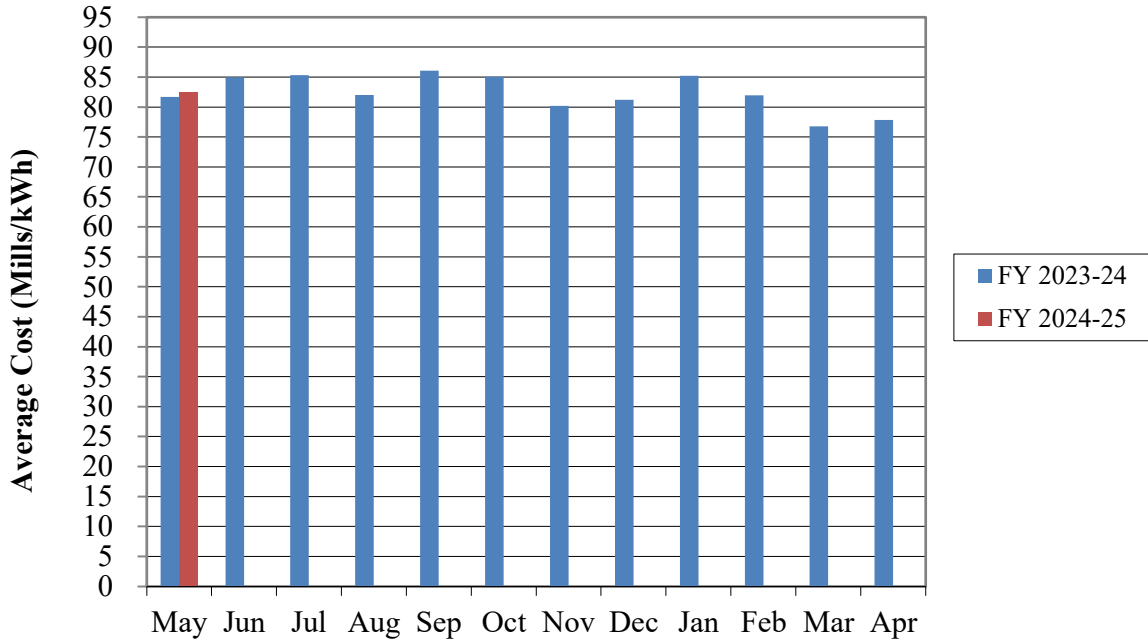
STATEMENT OF CASH FLOW

	One Month Ended May 31, 2024	One Month(s) Ended May 31, 2024	One Month(s) Ended May 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from power sales	\$19,223,165	\$19,223,165	\$21,118,907
Received from sale of RECs	1,380,000	1,380,000	2,218,250
Paid to suppliers for purchased power and transmission	(7,328,516)	(7,328,516)	(7,713,712)
Paid to suppliers and employees for other services	(7,253,525)	(7,253,525)	(6,768,331)
Cash Flows from Operating Activities	<u>6,021,124</u>	<u>6,021,124</u>	<u>8,855,114</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt principal paid	\$0	\$0	\$0
Interest paid	0	0	(9,542)
BABS Payment from Federal Government	0	0	3,378,264
State Grant Received(Paid)	0	0	0
Acquisition and construction of capital assets	(1,087,560)	(1,087,560)	(1,117,935)
Preliminary engineering and survey charges	0	0	0
Proceeds from issuance of debt	0	0	0
Payment/Proceeds from PNC LOC	0	0	(2,000,000)
Premium received on debt issuance	0	0	0
Payment of Bond Issuance Costs	0	0	0
Funds Used in Refunding	0	0	0
Loss on refunding	0	0	0
Payment of ARO Liability	0	0	0
Payment of Arbitrage Rebate Liability	0	0	0
Cash Flows from Capital and Related Financing Activities	<u>(1,087,560)</u>	<u>(1,087,560)</u>	<u>250,787</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	830,429	\$830,429	721,872
Payments to Members for Capital Costs	0	0	0
Purchase of long term investment	(6,991,766)	(6,991,766)	(12,161,266)
Maturity of long term investment	0	0	0
Cash Flows from Investing Activities	<u>(6,161,337)</u>	<u>(6,161,337)</u>	<u>(11,439,394)</u>
Net Change in Cash and Cash Equivalents	(1,227,773)	(1,227,773)	(2,333,493)
Cash and Cash Equivalents - Beginning of Period	76,766,597	76,766,597	74,461,040
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>\$75,538,824</u>	<u>\$75,538,824</u>	<u>\$72,127,547</u>
RECONCILE CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET			
Restricted investments		\$104,141,989	\$104,453,130
Cash		73,790,738	70,860,004
Short-term investments		37,606,878	35,460,362
Total Cash and Investments		<u>215,539,604</u>	<u>210,773,495</u>
Less: Long-term investments		(140,000,780)	(138,645,948)
TOTAL CASH AND CASH EQUIVALENTS		<u>\$75,538,824</u>	<u>\$72,127,547</u>
RECONCILE OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$5,455,045	\$5,455,045	\$6,434,996
Noncash Items Included in Operating Income:			
Depreciation and Depletion	3,035,022	3,035,022	2,962,599
Other non-cash transactions	(34,869)	(34,869)	0
Changes in Current Assets and Liabilities:			
Accounts receivable	(4,826,492)	(4,826,492)	(1,652,477)
Renewable Energy Credits	1,380,000	1,380,000	2,218,250
Prepayments	264,247	264,247	(357,929)
Accounts payable:			
Purchased power	539,900	539,900	(1,325,913)
Jointly owned facilities	354,385	354,385	764,602
Other	(180,324)	(180,324)	(223,640)
Change in Regulatory Asset/Liability	0	0	0
Other current liabilities	34,210	34,210	34,627
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$6,021,124</u>	<u>\$6,021,124</u>	<u>\$8,855,114</u>

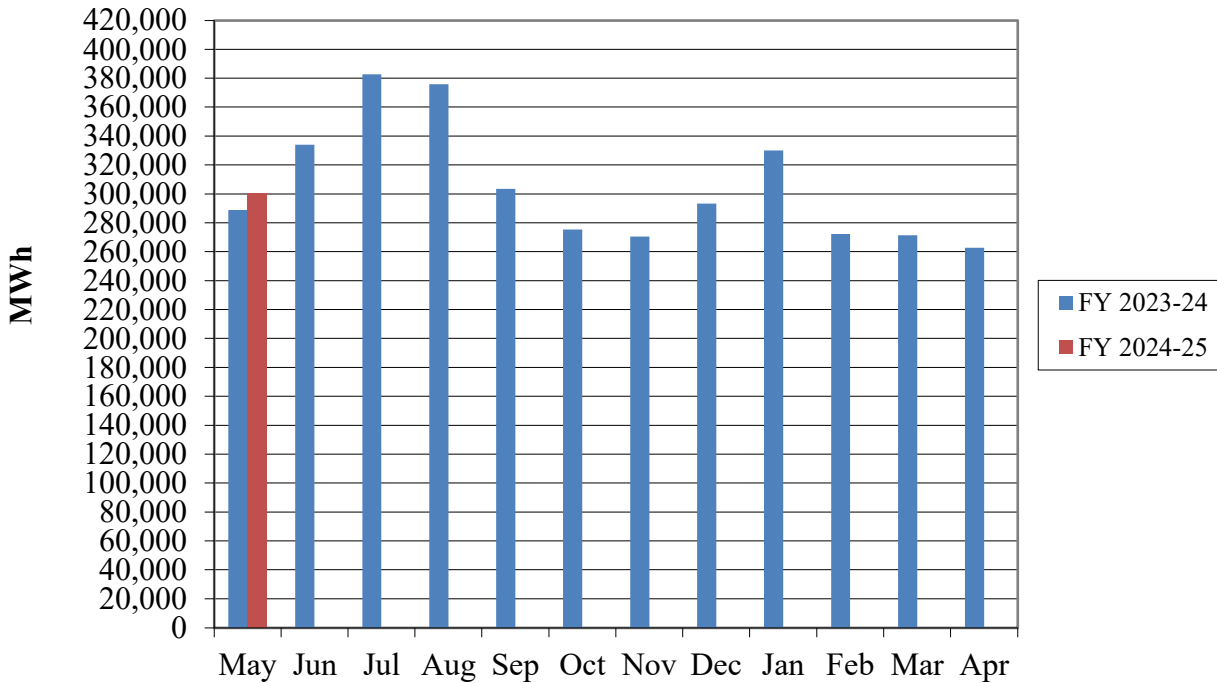


Illinois Municipal Electric Agency

IMEA Participating Member Average Cost



IMEA Monthly Energy Sales to Participating Members





Illinois Municipal Electric Agency

SCHEDULE OF POWER SALES

	One Month Ended May 31, 2024	One Month Ended May 31, 2023	One Month(s) Ended May 31, 2024	One Month(s) Ended May 31, 2023
POWER SALES				
Altamont	\$161,658.01	\$150,666.61	\$161,658.01	\$150,666.61
Bethany	53,950.29	51,021.05	53,950.29	51,021.05
Breese	359,216.48	343,740.85	359,216.48	343,740.85
Bushnell	187,906.97	215,355.45	187,906.97	215,355.45
Cairo	313,957.93	332,643.01	313,957.93	332,643.01
Carlyle	226,579.80	218,546.91	226,579.80	218,546.91
Carmi	361,498.02	340,410.39	361,498.02	340,410.39
Casey	192,353.74	187,743.34	192,353.74	187,743.34
Chatham	608,642.77	568,675.78	608,642.77	568,675.78
Fairfield	375,743.33	344,503.05	375,743.33	344,503.05
Farmer City	109,849.31	103,359.08	109,849.31	103,359.08
Flora	740,942.02	717,597.47	740,942.02	717,597.47
Freeburg	288,111.25	264,509.37	288,111.25	264,509.37
Greenup	130,248.90	128,921.50	130,248.90	128,921.50
Highland	816,652.11	776,264.76	816,652.11	776,264.76
Ladd	66,720.24	73,190.98	66,720.24	73,190.98
Marshall	397,633.73	404,678.35	397,633.73	404,678.35
Mascoutah	451,414.84	410,931.13	451,414.84	410,931.13
Metropolis	495,880.38	451,809.82	495,880.38	451,809.82
Naperville	8,664,536.11	8,165,277.39	8,664,536.11	8,165,277.39
Oglesby	378,946.48	352,659.61	378,946.48	352,659.61
Peru	1,507,558.66	1,337,437.15	1,507,558.66	1,337,437.15
Princeton	644,026.86	583,737.97	644,026.86	583,737.97
Rantoul	1,096,663.51	1,110,161.20	1,096,663.51	1,110,161.20
Red Bud	338,784.28	320,916.84	338,784.28	320,916.84
Riverton	203,018.54	187,103.39	203,018.54	187,103.39
Rock Falls	401,878.78	414,579.82	401,878.78	414,579.82
Roodhouse	76,415.02	55,914.47	76,415.02	55,914.47
St. Charles	3,285,252.72	3,223,411.04	3,285,252.72	3,223,411.04
Sullivan	425,311.48	432,714.95	425,311.48	432,714.95
Waterloo	646,256.37	601,552.33	646,256.37	601,552.33
Winnetka	769,183.87	714,417.20	769,183.87	714,417.20
Total Power Sales to Participating Members	<u>\$24,776,792.80</u>	<u>\$23,584,452.26</u>	<u>\$24,776,792.80</u>	<u>\$23,584,452.26</u>
kWh Sales to Participating Members	300,118,434	288,757,562	300,118,434	288,757,562
Participating Member Average Cost (Mills/kWh)	\$82.56	\$81.68	\$82.56	\$81.68



Illinois Municipal Electric Agency

SCHEDULE OF OPERATING EXPENSES

	One Month Ended May 31, 2024	One Month(s) Ended May 31, 2024	Budget Year Ended April 30, 2025	Percent of Budget Expended as of May 31, 2024
<u>PURCHASED POWER</u>				
FPL Wind	\$1,424,890.02	\$1,424,890.02	\$18,459,000.00	7.72%
Illinois Power Marketing	0.00	0.00	0.00	0.00%
Green River	348,768.07	348,768.07	4,626,000.00	7.54%
Constellation	75,000.00	75,000.00	955,000.00	7.85%
Louisville Gas and Electric	0.00	0.00	10,000.00	0.00%
PJM	(3,449,731.44)	(3,449,731.44)	(51,775,000.00)	6.66%
Midwest ISO	3,982,801.19	3,982,801.19	81,263,000.00	4.90%
Other Suppliers	330,274.81	330,274.81	17,520,000.00	1.89%
Total Purchased Power	2,712,002.65	2,712,002.65	71,058,000.00	3.82%
<u>TRANSMISSION</u>				
Ameren through MISO	2,223,026.55	2,223,026.55	27,522,000.00	8.08%
PJM	2,372,809.14	2,372,809.14	31,762,000.00	7.47%
Midwest ISO	557,517.34	557,517.34	4,870,000.00	11.45%
Other Suppliers	3,060.59	3,060.59	48,000.00	6.38%
Total Transmission	5,156,413.62	5,156,413.62	64,202,000.00	8.03%
<u>TRIMBLE COUNTY AND PRAIRIE STATE</u>				
Fuel-Trimble County	2,029,652.43	2,029,652.43	20,817,000.00	9.75%
Scrubber reactant-Trimble County	58,362.40	58,362.40	486,000.00	12.01%
Fuel-Prairie State	1,625,312.46	1,625,312.46	24,290,000.00	6.69%
Total Fuel-Trimble County and Prairie State	3,713,327.29	3,713,327.29	45,593,000.00	8.14%
Operations and maintenance:				
Operations and Maintenance expenses-Trimble County	553,503.97	553,503.97	11,745,000.00	4.71%
Operations and Maintenance expenses-Prairie State	2,353,868.51	2,353,868.51	28,543,000.00	8.25%
Total O&M-Trimble County and Prairie State	2,907,372.48	2,907,372.48	40,288,000.00	7.22%
<u>MEMBER PAYMENTS</u>				
Fuel reimbursements	48,722.28	48,722.28	1,700,000.00	2.87%
Capacity payments	678,304.40	678,304.40	8,871,000.00	7.65%
Generation payments	108.83	108.83	25,000.00	0.44%
Total Member Payments	727,135.51	727,135.51	10,596,000.00	6.86%
<u>OTHER UTILITY OPERATIONS</u>				
Energy Efficiency Program	147,186.46	147,186.46	1,292,000.00	11.39%
Telemetry charges	3,164.70	3,164.70	100,000.00	3.16%
Meter testing supplies	2,964.47	2,964.47	20,000.00	14.82%
Mobile Generation	6,563.50	6,563.50	170,000.00	3.86%
Other	0.00	0.00	900,000.00	0.00%
Total Other Utility Operations	159,879.13	159,879.13	2,482,000.00	6.44%
<u>ADMINISTRATION AND GENERAL</u>				
Professional salaries	430,217.38	430,217.38	5,059,000.00	8.50%
Telephone	1,716.60	1,716.60	42,000.00	4.09%
Postage	393.50	393.50	7,000.00	5.62%
Photocopying and fax	953.19	953.19	18,000.00	5.30%
Office supplies	2,305.14	2,305.14	25,000.00	9.22%
Computer service and supplies	15,036.83	15,036.83	260,000.00	5.78%
Automobile	2,171.85	2,171.85	32,000.00	6.79%
Utilities	3,169.67	3,169.67	50,000.00	6.34%
Membership dues	52,970.36	52,970.36	633,000.00	8.37%



Illinois Municipal Electric Agency

SCHEDULE OF OPERATING EXPENSES

	One Month Ended <u>May 31, 2024</u>	One Month(s) Ended <u>May 31, 2024</u>	Budget Year Ended <u>April 30, 2025</u>	Percent of Budget Expended as of <u>May 31, 2024</u>
<u>ADMINISTRATION AND GENERAL CONTINUED</u>				
Library	\$512.25	\$512.25	\$4,000.00	12.81%
Travel	736.30	736.30	23,000.00	3.20%
Room rentals	1,798.80	1,798.80	34,000.00	5.29%
Meals	2,623.39	2,623.39	23,000.00	11.41%
Courses, programs and seminars	1,424.00	1,424.00	51,000.00	2.79%
Outside services				
Legal				
General Counsel-Litigation Support	0.00	0.00	0.00	0.00%
Special counsel	0.00	0.00	25,000.00	0.00%
Other	0.00	0.00	100,000.00	0.00%
Negotiations	0.00	0.00	250,000.00	0.00%
Engineering				
Outside engineering	41,808.82	41,808.82	563,000.00	7.43%
Other				
Financial services	7,775.00	7,775.00	205,000.00	3.79%
Legislative consultant	0.00	0.00	3,000.00	0.00%
Installation and repair	5,110.00	5,110.00	17,000.00	30.06%
Janitorial	1,700.00	1,700.00	24,000.00	7.08%
Building and grounds maintenance	5,136.58	5,136.58	63,000.00	8.15%
Other services employed	8,663.71	8,663.71	163,000.00	5.32%
Insurance				
Property	4,975.92	4,975.92	66,000.00	7.54%
Automobile	813.16	813.16	15,000.00	5.42%
Liability	19,641.83	19,641.83	275,000.00	7.14%
Pensions and benefits				
Life insurance	1,192.82	1,192.82	14,000.00	8.52%
Health insurance	81,161.06	81,161.06	1,050,000.00	7.73%
Retirement	107,554.41	107,554.41	1,265,000.00	8.50%
Unemployment	0.00	0.00	0.00	0.00%
FICA - Medicare portion	6,221.60	6,221.60	74,000.00	8.41%
Disability insurance	2,178.11	2,178.11	30,000.00	7.26%
Workers compensation insurance	1,050.83	1,050.83	15,000.00	7.01%
Accrued vacation and sick	(34,869.06)	(34,869.06)	125,000.00	-27.90%
Miscellaneous general expenses				
General advertising	0.00	0.00	10,000.00	0.00%
Annual Report / Informational	0.00	0.00	8,000.00	0.00%
Member informational seminars	0.00	0.00	12,000.00	0.00%
B.O.D. Washington rally	275.00	275.00	85,000.00	0.32%
B.O.D. Regular meeting meals	0.00	0.00	13,000.00	0.00%
B.O.D. Generation Tour	0.00	0.00	5,000.00	0.00%
B.O.D. Annual meeting	49,474.71	49,474.71	45,000.00	109.94%
Sundry and bank service charges	0.00	0.00	1,000.00	0.00%
Property taxes	45,395.42	45,395.42	90,000.00	50.44%
Abandoned Project Costs	0.00	0.00	0.00	0.00%
Total Administrative and General	<u>871,289.18</u>	<u>871,289.18</u>	<u>10,872,000.00</u>	<u>8.01%</u>
<u>DEPRECIATION AND DEPLETION EXPENSE</u>	<u>3,035,022.40</u>	<u>3,035,022.40</u>	<u>38,424,000.00</u>	<u>7.90%</u>
TOTAL OPERATING EXPENSES	<u><u>\$19,282,442.26</u></u>	<u><u>\$19,282,442.26</u></u>	<u><u>\$283,515,000.00</u></u>	<u><u>6.80%</u></u>



Illinois Municipal Electric Agency

SCHEDULE OF MONTHLY INVESTMENT ACTIVITY

	Revenue Fund	O & M Fund	Healthcare Account	Renewals & Replacements Fund	-----General Reserve Fund----- Gen. Reserve Account	Rate Stabil. Account	PNC LOC Account	Common Bond Debt Service Reserve	Sub-Total Interest Rec.	Sub-Total Cash & Invest.
Balance at May 1, 2024:										
Cash	\$0.00	\$53,033,430.74	\$167,051.02	\$13,520.72	\$11,086,858.47	\$10,476,304.73	\$0.00	\$601,246.62		\$75,378,412.30
US Treasury Notes & Bonds	0.00		0.00	315,487.97		35,023,695.27		38,879,832.06		74,219,015.30
US Government Agencies				1,993,000.00		0.00		8,800,855.56		10,793,855.56
Interest Earned				14,465.60	146,164.03		0.00	410,351.69		570,981.32
Interest Receivable	0.00	76,900.69	0.00						76,900.69	
Total Funds	0.00	53,110,331.43	167,051.02	2,336,474.29	11,233,022.50	45,500,000.00	\$0.00	48,692,285.93	76,900.69	160,962,264.48
Add (Deduct):										
Cash Receipts	22,104,740.86	(69,869.12)	0.00							22,034,871.74
Payments of Expenses	0.00	(17,159,224.76)	(18,081.51)							(17,177,306.27)
Transfers From/To Other Accts.	(22,104,740.86)	15,761,637.30	50,000.00	(1,203.09)	0.00	0.00	0.00	(566,097.91)		(6,860,404.56)
Interest Income	0.00	209,745.45	0.00	9,541.88	241,991.99		0.00	170,633.45		631,912.77
Interest Receivable	0.00	69,869.12	0.00				0.00		69,869.12	
Unrealized Gain/(Loss) on Investments	0.00	0.00	0.00	1,118.31	24,579.66	0.00	0.00	195,034.48		220,732.45
Transfer to Refunding Escrow								0.00		0.00
Reimbursement of Project Costs		0.00								0.00
Payment of Principal & Interest							0.00			0.00
Balance at May 31, 2024	\$0.00	\$51,922,489.42	\$198,969.51	\$2,345,931.39	\$11,499,594.15	\$45,500,000.00	\$0.00	\$48,491,855.95	\$69,869.12	\$159,888,971.30
Composition of May 31, 2024 Balance:										
Cash	\$0.00	\$51,852,620.30	\$198,969.51	\$12,429.06	\$11,322,783.77	\$10,403,435.05	\$0.00	\$369,435.96		\$74,159,673.65
US Treasury Notes & Bonds	0.00		0.00	317,027.69		35,096,564.95		39,026,831.37		74,440,424.01
US Government Agencies				1,993,940.00		0.00		8,862,952.14		10,856,892.14
Interest Earned				22,534.64	176,810.38		0.00	232,636.48		431,981.50
Interest Receivable	0.00	69,869.12	0.00						69,869.12	
Total Funds	\$0.00	\$51,922,489.42	\$198,969.51	\$2,345,931.39	\$11,499,594.15	\$45,500,000.00	\$0.00	\$48,491,855.95	\$69,869.12	\$159,888,971.30



Illinois Municipal Electric Agency

SCHEDULE OF MONTHLY INVESTMENT ACTIVITY

	Sub-Total Interest Receivable	Sub-Total Cash & Invest.	2009C -----Debt Service Fund-----		2010A -----Debt Service Fund-----		2015A Debt Service Account	Petty Cash	Total Interest Rec.	Total Cash & Invest.
			Debt Service Account	Debt Service Reserve	Debt Service Account	Debt Service Reserve				
Balance at May 1, 2024:										
Cash		\$75,378,412.30	\$87,462.04	\$31,481.23	\$38,544.49	\$17,349.30	\$246,333.04	\$500.00		\$75,800,082.40
US Treasury Notes & Bonds		74,219,015.30	5,738,525.42	6,585,022.08	2,505,539.26	8,193,405.78	12,436,050.89			109,677,558.73
US Government Agencies		10,793,855.56	0.00	12,259,029.28	0.00	0.00	0.00			23,052,884.84
Interest Earned		570,981.32	638.69	231,574.84	279.18	134,208.31	28,832.79			966,515.13
Interest Receivable	76,900.69								76,900.69	0.00
Total Funds	\$76,900.69	160,962,264.48	5,826,626.15	19,107,107.43	2,544,362.93	8,344,963.39	12,711,216.72	500.00	76,900.69	209,497,041.10
Add (Deduct):										
Cash Receipts		22,034,871.74								22,034,871.74
Payments of Expenses		(17,177,306.27)						0.00		(17,177,306.27)
Transfers From/To Other Accts.		(6,860,404.56)	1,902,327.70	(3,859.23)	830,706.79	(76.47)	4,131,305.77			0.00
Interest Income		631,912.77	28,718.15	63,867.62	12,542.51	30,459.61	62,025.36			829,526.02
Interest Receivable	69,869.12								69,869.12	
Unrealized Gain/(Loss) on Investments		220,732.45	2,154.08	38,474.57	1,020.23	13,236.29	2,953.58			278,571.20
Transfer to Refunding Escrow		0.00	0.00	0.00	0.00	0.00	0.00			0.00
Reimbursement of Project Costs		0.00								0.00
Payment of Principal & Interest		0.00	0.00		0.00		0.00			0.00
Balance at May 31, 2024	\$69,869.12	\$159,888,971.30	\$7,759,826.08	\$19,205,590.39	\$3,388,632.46	\$8,388,582.82	\$16,907,501.43	\$500.00	\$69,869.12	\$215,539,604.48
Composition of May 31, 2024 Balance:										
Cash		\$74,159,673.65	\$88,306.84	\$177,520.58	\$39,619.05	\$123,906.45	\$246,290.57	\$500.00		\$74,835,817.14
US Treasury Notes & Bonds		74,440,424.01	7,665,848.41	6,598,523.61	3,347,081.90	8,206,873.01	16,603,334.71			116,862,085.65
US Government Agencies		10,856,892.14	0.00	12,281,802.56	0.00	0.00	0.00			23,138,694.70
Interest Earned		431,981.50	5,670.83	147,743.64	1,931.51	57,803.36	57,876.15			703,006.99
Interest Receivable	69,869.12	0.00							69,869.12	
Total Funds	\$69,869.12	\$159,888,971.30	\$7,759,826.08	\$19,205,590.39	\$3,388,632.46	\$8,388,582.82	\$16,907,501.43	\$500.00	\$69,869.12	\$215,539,604.48

Balance Sheet Classifications:

Restricted Investment Accounts	\$104,141,989.13
Cash and Cash Equivalents	73,790,737.69
Temporary Investments	37,606,877.66
	<u>\$215,539,604.48</u>

Interest Receivable

\$69,869.12



Illinois Municipal Electric Agency

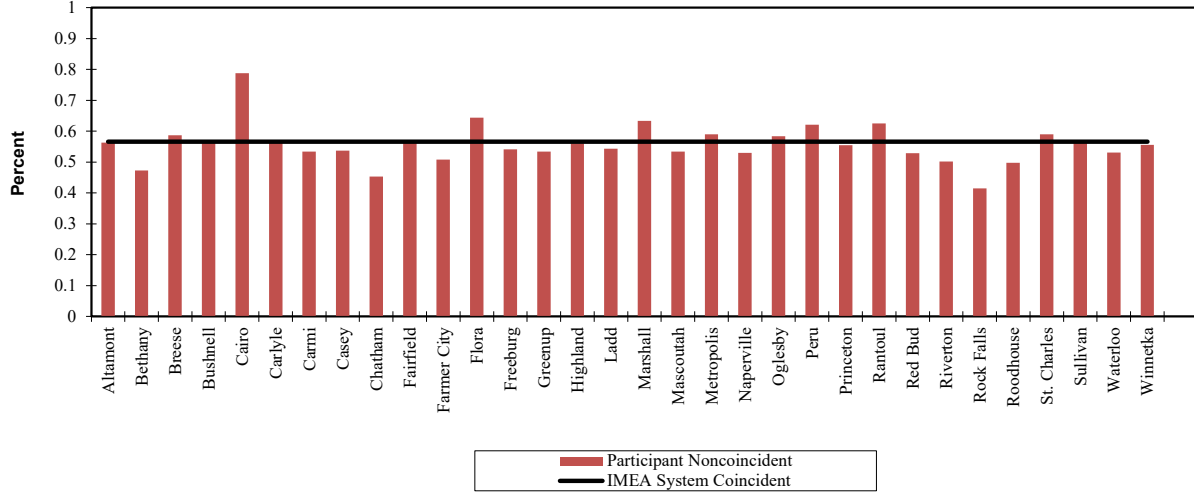
SCHEDULE OF DEBT COVERAGE(110%)

	One Month Ended May 31, 2024	Total Last 12 Months
REVENUES		
Sales for resale	\$24,776,793	\$303,380,610
Membership assessments	0	0
Other utility operations	(39,306)	10,352,136
Other non-utility operations	6,248	63,382
Interest income	830,429	9,922,692
Interest income used for Debt Service		0
2006 Debt Service Reserve Fund	0	0
2007A Debt Service Reserve Fund	0	0
2009ABC Debt Service Reserve Fund	0	0
2010A Debt Service Reserve	0	0
Federal BABS Revenue	572,031	6,818,380
Rate stabilization transfer	0	0
Total Revenue	\$26,146,196	\$330,537,200
OPERATIONS AND MAINTENANCE EXPENSES		
Purchased power	\$2,712,003	\$54,484,808
Transmission	5,156,414	49,433,639
Trimble County Units 1 & 2:		0
Fuel	2,088,015	23,396,118
Operations and maintenance	553,504	8,665,205
Prairie State Generating Company:		0
Fuel	1,625,312	21,431,071
Operations and maintenance	2,353,869	31,645,166
Member Payments:		0
Fuel reimbursements	48,722	1,170,334
Capacity payments	678,304	8,364,230
Generation payments	109	9,171
Other utility operations	159,879	1,957,233
Administration and general	871,289	9,187,007
Other	0	0
Total Operations and Maintenance Expenses	\$16,247,420	\$209,743,979
NET REVENUES	\$9,898,776	\$120,793,220
DEBT SERVICE (See calculation below)	\$7,392,660	\$89,017,088
COVERAGE PERCENTAGE	133.90%	135.70%
CUMULATIVE COVERAGE PERCENTAGE (Fiscal Year 2024-2025)	133.90%	
DEBT SERVICE		
Accrued interest-2006 bonds	\$0	\$0
Principal installment-2006 bonds	0	0
Accrued interest-2007A bonds	0	0
Principal installment-2007A bonds	0	0
Accrued interest-2007C bonds	0	0
Principal installment-2007C bonds	0	0
Accrued interest-2009A bonds	0	0
Principal installment-2009A bonds	0	0
Accrued interest-2009C bonds	1,099,639	13,805,540
Principal installment-2009C bonds	1,165,417	13,588,332
Accrued interest-2010A bonds	499,588	6,238,856
Principal installment-2010A bonds	495,833	5,793,332
Accrued interest-2015A bonds	1,626,350	20,471,032
Principal installment-2015A bonds	2,505,833	29,119,996
Debt Service	\$7,392,660	\$89,017,088

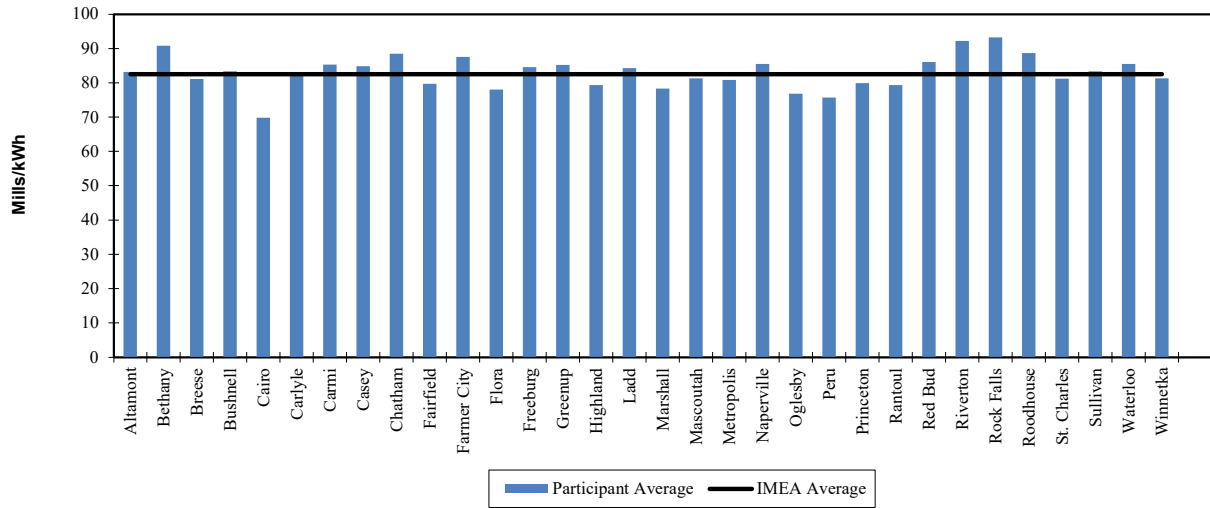


Illinois Municipal Electric Agency

**Participant Load Factor
May 2024**



**Participant Average Cost
May 2024**



Note: Actual peak demand and energy consumption is shown in the monthly operations report.
Average Cost does not reflect capacity credits to participants.



Financial Statements as of June 30, 2024



Illinois Municipal Electric Agency

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Unaudited Financial Statements as of June 30, 2024



Illinois Municipal Electric Agency

STATEMENT OF NET POSITION

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
<u>UTILITY PLANT IN SERVICE</u>		
Prairie State	\$933,039,682.79	\$928,615,235.12
Trimble County Units 1 & 2	379,835,492.38	364,583,236.79
Mobile Generation Equipment	3,214,844.57	3,214,844.57
Winnetka 138 Interconnect	500,000.00	500,000.00
Other Property and Equipment	13,276,051.57	13,120,521.17
Total Utility Plant in Services (at cost)	<u>1,329,866,071.31</u>	<u>1,310,033,837.65</u>
Less: Accumulated Depreciation	<u>(446,086,953.01)</u>	<u>(412,632,807.42)</u>
Net Utility Plant in Service	<u>883,779,118.30</u>	<u>897,401,030.23</u>
<u>CONSTRUCTION WORK IN PROGRESS</u>		
Prairie State	7,865,182.15	7,874,689.62
Trimble County Station	31,283,984.59	42,755,723.43
Net Construction Work in Progress	<u>39,149,166.74</u>	<u>50,630,413.05</u>
<u>RESTRICTED ASSETS</u>		
	<u>111,005,759.99</u>	<u>110,788,231.05</u>
<u>CURRENT ASSETS</u>		
Cash	75,579,028.95	70,955,342.54
Short-term Investments	37,773,600.21	35,545,423.18
Accounts Receivable	32,675,112.85	27,021,796.84
Renewable Energy Credits	0.00	0.00
Collateral Held for Others	524,688.52	510,262.88
Prepayments	29,440,248.35	28,578,125.60
Total Current Assets	<u>175,992,678.88</u>	<u>162,610,951.04</u>
<u>OTHER ASSETS</u>		
Unamortized Debt Expense	1,404,897.11	1,647,222.88
Prairie State-Other LT Assets	484,543.82	310,340.41
Change in Market Value of Investments	1,032,856.42	1,496,121.27
Other Deferred Assets	0.00	0.00
Total Other Assets	<u>2,922,297.35</u>	<u>3,453,684.56</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Total Deferred Outflows of Resources	<u>14,630,118.71</u>	<u>17,146,440.41</u>
TOTAL ASSETS	<u><u>\$1,227,479,139.97</u></u>	<u><u>\$1,242,030,750.34</u></u>



Illinois Municipal Electric Agency

STATEMENT OF NET POSITION

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
<u>NET POSITION</u>	<u>\$455,889,143.90</u>	<u>\$409,371,923.72</u>
 <u>NON-CURRENT LIABILITIES</u>		
Revenue Bonds (excludes current maturities)	643,600,000.00	693,605,000.00
Unamortized Premium	27,500,763.90	32,230,784.99
Other Long-term Debt-PNC LOC	0.00	0.00
Other Liabilities	15,938,825.26	16,720,982.93
Other Deferred Liabilities	0.00	6,291,666.68
Total Non-Current Liabilities	<u>687,039,589.16</u>	<u>748,848,434.60</u>
 <u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Expenses		
Accounts Payable		
Purchased Power	10,511,736.17	9,363,087.24
Jointly-owned facilities	7,017,704.30	8,580,930.58
Other	223,832.69	229,486.47
Collateral Due to Others	525,932.86	511,411.32
Other Current Liabilities	209,210.31	212,627.49
Total Accounts Payable and Accrued Expenses	<u>18,488,416.33</u>	<u>18,897,543.10</u>
Current Liabilities Payable from Restricted Assets		
Current Maturities of Revenue Bonds	50,005,000.00	47,750,000.00
Interest Accrued	16,056,990.58	17,162,848.92
Total Current Liabilities	<u>84,550,406.91</u>	<u>83,810,392.02</u>
 Total Liabilities	 <u>771,589,996.07</u>	 <u>832,658,826.62</u>
 TOTAL NET POSITION AND LIABILITIES	 <u>\$1,227,479,139.97</u>	 <u>\$1,242,030,750.34</u>



Illinois Municipal Electric Agency

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	One Month Ended June 30, 2024	Two Month(s) Ended June 30, 2024	Two Month(s) Ended June 30, 2023
<u>OPERATING REVENUES</u>			
Sales to Members	\$30,649,586.07	\$55,426,378.87	\$51,970,421.34
Sales to Others	0.00	0.00	0.00
Other Electric Revenue	0.00	0.00	0.00
Membership Assessments	0.00	0.00	0.00
Other income	(15,787.82)	(55,093.40)	156,352.23
Total Operating Revenues	30,633,798.25	55,371,285.47	52,126,773.57
<u>OPERATING EXPENSES</u>			
Purchased power	7,282,712.02	9,994,714.67	8,847,489.77
Transmission	4,923,479.26	10,079,892.88	7,400,178.51
Trimble County Units 1 & 2:			
Fuel	1,855,321.48	3,943,336.31	3,405,610.09
Operations and Maintenance	566,046.30	1,119,550.27	1,655,161.04
Prairie State Generating Company:			
Fuel	1,536,549.33	3,161,861.79	3,102,034.68
Operations and Maintenance	2,047,345.98	4,401,214.49	3,987,738.25
Member Payments:			
Fuel Reimbursements	193,695.24	242,417.52	205,533.53
Capacity Payments	676,542.64	1,354,847.04	1,477,301.60
Generation Payments	3,416.99	3,525.82	306.89
Other Utility Operations	88,740.17	248,619.30	342,839.37
Administration and General	857,566.64	1,728,855.82	1,728,554.89
Depreciation & Depletion Expense	3,031,257.43	6,066,279.83	5,999,015.93
Total Operating Expenses	23,062,673.48	42,345,115.74	38,151,764.55
Operating Income	7,571,124.77	13,026,169.73	13,975,009.02
<u>NON-OPERATING REVENUE (EXPENSES)</u>			
Interest Income	902,836.91	1,733,265.99	1,487,556.80
Interest Expense on Revenue Bonds	(3,190,130.57)	(6,486,598.84)	(6,979,558.56)
Interest Expense on PNC LOC	0.00	0.00	(7,986.11)
Federal BABS Revenue	553,578.39	1,125,609.39	1,003,149.40
State Grant Revenue (Expense)	0.00	0.00	0.00
Interest Charged to Construction	0.00	0.00	0.00
Amortization Expense	157,953.55	315,907.10	337,601.66
Other Revenue	0.00	6,248.46	0.00
Total Non-Operating Expenses	(1,575,761.72)	(3,305,567.90)	(4,159,236.81)
CHANGE IN NET POSITION	5,995,363.05	9,720,601.83	9,815,772.21
Net Position - Beginning of Period	449,893,780.85	446,168,542.07	399,556,151.51
NET POSITION - END OF PERIOD	\$455,889,143.90	\$455,889,143.90	\$409,371,923.72



Illinois Municipal Electric Agency

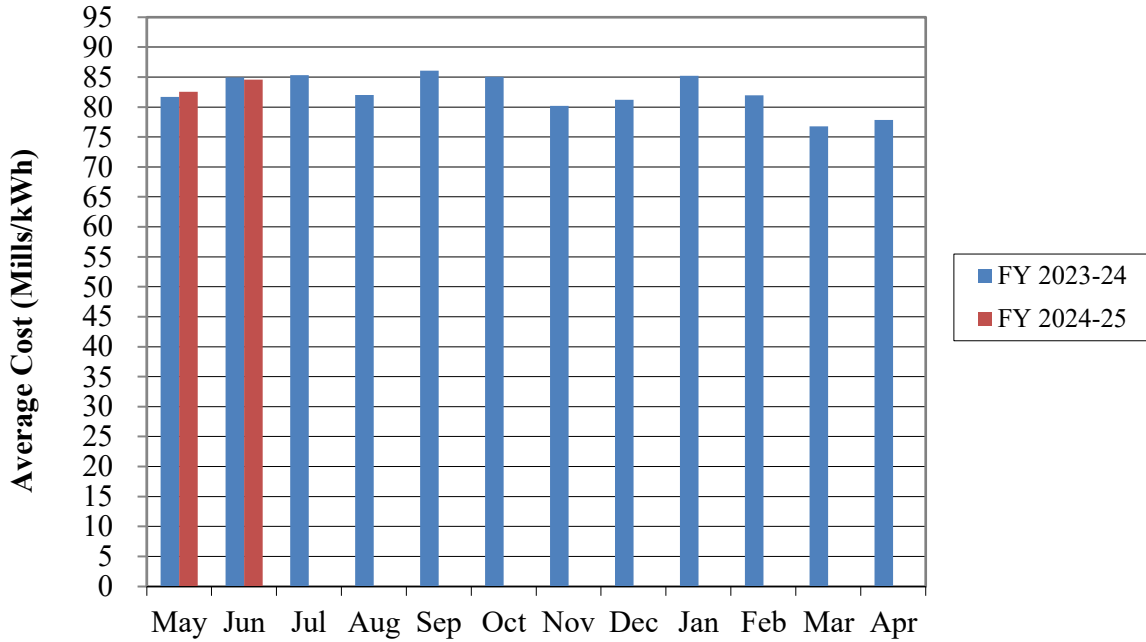
STATEMENT OF CASH FLOW

	One Month Ended June 30, 2024	Two Month(s) Ended June 30, 2024	Two Month(s) Ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from power sales	\$24,653,400	\$43,876,565	\$43,864,551
Received from sale of RECs	(1,411,891)	2,791,891	3,603,856
Paid to suppliers for purchased power and transmission	(9,811,260)	(17,139,777)	(16,941,558)
Paid to suppliers and employees for other services	(7,316,043)	(14,569,568)	(13,645,194)
Cash Flows from Operating Activities	<u>6,114,205</u>	<u>14,959,112</u>	<u>16,881,655</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt principal paid	\$0	\$0	\$0
Interest paid	0	0	(7,986)
BABS Payment from Federal Government	0	0	3,378,264
State Grant Received(Paid)	0	0	0
Acquisition and construction of capital assets	(1,232,919)	(2,320,478)	(2,951,365)
Preliminary engineering and survey charges	0	0	0
Proceeds from issuance of debt	0	0	0
Payment/Proceeds from PNC LOC	0	0	(2,000,000)
Premium received on debt issuance	0	0	0
Payment of Bond Issuance Costs	0	0	0
Funds Used in Refunding	0	0	0
Loss on refunding	0	0	0
Payment of ARO Liability	0	0	0
Payment of Arbitrage Rebate Liability	0	0	0
Cash Flows from Capital and Related Financing Activities	<u>(1,232,919)</u>	<u>(2,320,478)</u>	<u>(1,581,087)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	902,837	\$1,733,266	1,487,557
Payments to Members for Capital Costs	0	0	0
Purchase of long term investment	(6,997,783)	(13,989,549)	(19,318,236)
Maturity of long term investment	0	0	0
Cash Flows from Investing Activities	<u>(6,094,946)</u>	<u>(12,256,283)</u>	<u>(17,830,679)</u>
Net Change in Cash and Cash Equivalents	(1,213,659)	382,351	(2,530,110)
Cash and Cash Equivalents - Beginning of Period	78,362,607	76,766,597	74,461,040
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>\$77,148,948</u>	<u>\$77,148,948</u>	<u>\$71,930,930</u>
RECONCILE CASH AND CASH EQUIVALENTS TO THE BALANCE SHEET			
Restricted investments		\$111,005,760	\$110,788,231
Cash		75,579,029	70,955,343
Short-term investments		37,773,600	35,545,423
Total Cash and Investments		<u>224,358,389</u>	<u>217,288,997</u>
Less: Long-term investments		(147,209,441)	(145,358,067)
TOTAL CASH AND CASH EQUIVALENTS		<u>\$77,148,948</u>	<u>\$71,930,930</u>
RECONCILE OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$7,571,125	\$13,026,170	\$13,975,009
Noncash Items Included in Operating Income:			
Depreciation and Depletion	3,031,257	6,066,280	5,999,016
Other non-cash transactions	(96,266)	(131,135)	0
Changes in Current Assets and Liabilities:			
Accounts receivable	(5,122,531)	(9,949,023)	(6,422,728)
Renewable Energy Credits	(1,411,891)	2,791,891	3,603,856
Prepayments	(228,778)	35,469	(1,827,137)
Accounts payable:			
Purchased power	2,394,931	2,934,831	(76,220)
Jointly owned facilities	(434,234)	(79,848)	1,806,795
Other	375,592	195,268	370,507
Change in Regulatory Asset/Liability	0	0	(617,670)
Other current liabilities	35,000	69,209	70,226
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$6,114,205</u>	<u>\$14,959,112</u>	<u>\$16,881,655</u>

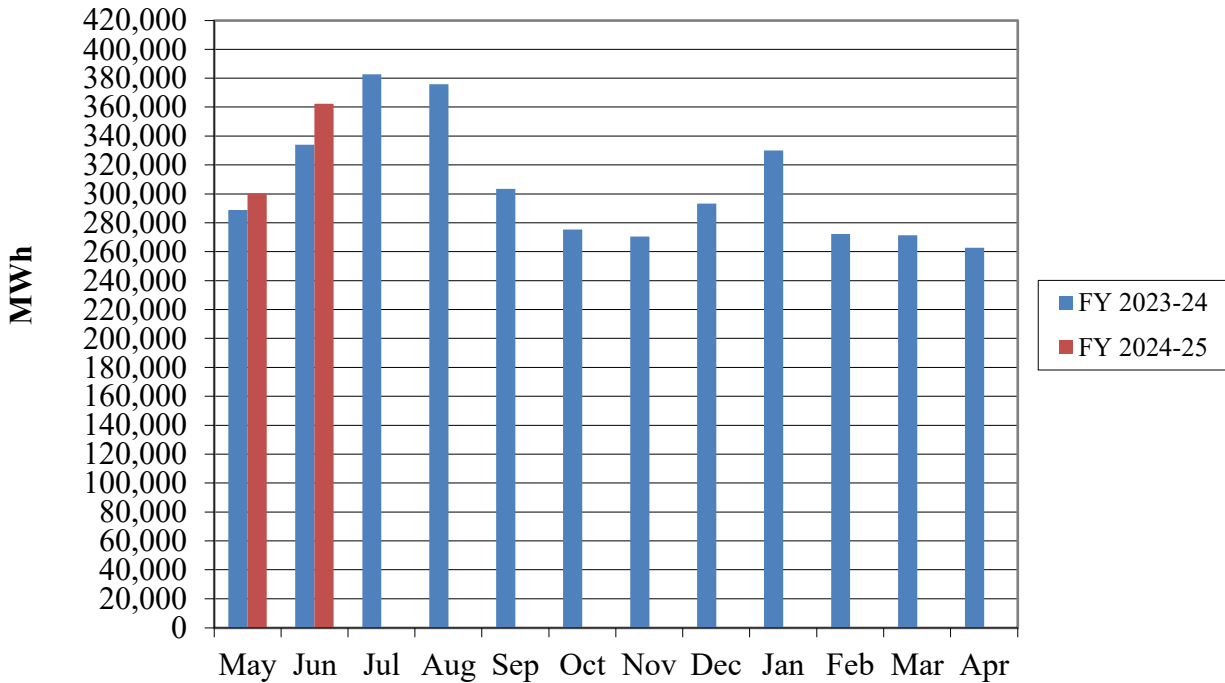


Illinois Municipal Electric Agency

IMEA Participating Member Average Cost



IMEA Monthly Energy Sales to Participating Members





Illinois Municipal Electric Agency

SCHEDULE OF POWER SALES

	One Month Ended June 30, 2024	One Month Ended June 30, 2023	Two Month(s) Ended June 30, 2024	Two Month(s) Ended June 30, 2023
POWER SALES				
Altamont	\$202,051.55	\$182,971.74	\$363,709.56	\$333,638.35
Bethany	73,717.54	63,792.64	127,667.83	114,813.69
Breese	459,667.62	436,505.05	818,884.10	780,245.90
Bushnell	233,979.69	245,522.92	421,886.66	460,878.37
Cairo	351,672.77	380,116.37	665,630.70	712,759.38
Carlyle	294,444.73	283,808.65	521,024.53	502,355.56
Carmi	465,583.98	444,405.40	827,082.00	784,815.79
Casey	246,395.80	217,531.81	438,749.54	405,275.15
Chatham	763,558.05	702,023.19	1,372,200.82	1,270,698.97
Fairfield	482,163.29	449,275.74	857,906.62	793,778.79
Farmer City	142,133.03	126,589.00	251,982.34	229,948.08
Flora	868,900.41	823,370.43	1,609,842.43	1,540,967.90
Freeburg	373,482.77	359,125.46	661,594.02	623,634.83
Greenup	156,290.73	144,665.53	286,539.63	273,587.03
Highland	1,091,817.31	1,010,022.36	1,908,469.42	1,786,287.12
Ladd	87,215.41	90,605.59	153,935.65	163,796.57
Marshall	480,610.94	462,185.16	878,244.67	866,863.51
Mascoutah	585,300.53	543,326.40	1,036,715.37	954,257.53
Metropolis	624,152.61	631,608.06	1,120,032.99	1,083,417.88
Naperville	10,771,769.39	9,797,443.78	19,436,305.50	17,962,721.17
Oglesby	459,840.79	432,757.66	838,787.27	785,417.27
Peru	1,673,944.68	1,530,800.35	3,181,503.34	2,868,237.50
Princeton	788,491.54	711,741.71	1,432,518.40	1,295,479.68
Rantoul	1,303,987.60	1,244,733.27	2,400,651.11	2,354,894.47
Red Bud	427,254.42	402,111.54	766,038.70	723,028.38
Riverton	254,029.56	224,041.04	457,048.10	411,144.43
Rock Falls	550,205.39	514,990.84	952,084.17	929,570.66
Roodhouse	102,543.41	84,944.86	178,958.43	140,859.33
St. Charles	3,912,511.74	3,693,876.66	7,197,764.46	6,917,287.70
Sullivan	511,320.25	494,755.06	936,631.73	927,470.01
Waterloo	837,199.70	799,854.01	1,483,456.07	1,401,406.34
Winnetka	1,073,348.84	856,466.80	1,842,532.71	1,570,884.00
Total Power Sales to Participating Members	<u>\$30,649,586.07</u>	<u>\$28,385,969.08</u>	<u>\$55,426,378.87</u>	<u>\$51,970,421.34</u>
kWh Sales to Participating Members	362,316,598	334,084,056	662,435,032	622,841,618
Participating Member Average Cost (Mills/kWh)	\$84.59	\$84.97	\$83.67	\$83.44



Illinois Municipal Electric Agency

SCHEDULE OF OPERATING EXPENSES

	One Month Ended June 30, 2024	Two Month(s) Ended June 30, 2024	Budget Year Ended April 30, 2025	Percent of Budget Expended as of June 30, 2024
<u>PURCHASED POWER</u>				
FPL Wind	\$1,148,879.82	\$2,573,769.84	\$18,459,000.00	13.94%
Illinois Power Marketing	0.00	0.00	0.00	0.00%
Green River	316,123.00	664,891.07	4,626,000.00	14.37%
Constellation	80,000.00	155,000.00	955,000.00	16.23%
Louisville Gas and Electric	0.00	0.00	10,000.00	0.00%
PJM	(1,138,739.58)	(4,588,471.02)	(51,775,000.00)	8.86%
Midwest ISO	4,109,729.26	8,092,530.45	81,263,000.00	9.96%
Other Suppliers	2,766,719.52	3,096,994.33	17,520,000.00	17.68%
Total Purchased Power	7,282,712.02	9,994,714.67	71,058,000.00	14.07%
<u>TRANSMISSION</u>				
Ameren through MISO	2,347,005.88	4,570,032.43	27,522,000.00	16.61%
PJM	2,146,464.11	4,519,273.25	31,762,000.00	14.23%
Midwest ISO	426,948.68	984,466.02	4,870,000.00	20.21%
Other Suppliers	3,060.59	6,121.18	48,000.00	12.75%
Total Transmission	4,923,479.26	10,079,892.88	64,202,000.00	15.70%
<u>TRIMBLE COUNTY AND PRAIRIE STATE</u>				
Fuel-Trimble County	1,801,857.87	3,831,510.30	20,817,000.00	18.41%
Scrubber reactant-Trimble County	53,463.61	111,826.01	486,000.00	23.01%
Fuel-Prairie State	1,536,549.33	3,161,861.79	24,290,000.00	13.02%
Total Fuel-Trimble County and Prairie State	3,391,870.81	7,105,198.10	45,593,000.00	15.58%
Operations and maintenance:				
Operations and Maintenance expenses-Trimble County	566,046.30	1,119,550.27	11,745,000.00	9.53%
Operations and Maintenance expenses-Prairie State	2,047,345.98	4,401,214.49	28,543,000.00	15.42%
Total O&M-Trimble County and Prairie State	2,613,392.28	5,520,764.76	40,288,000.00	13.70%
<u>MEMBER PAYMENTS</u>				
Fuel reimbursements	193,695.24	242,417.52	1,700,000.00	14.26%
Capacity payments	676,542.64	1,354,847.04	8,871,000.00	15.27%
Generation payments	3,416.99	3,525.82	25,000.00	14.10%
Total Member Payments	873,654.87	1,600,790.38	10,596,000.00	15.11%
<u>OTHER UTILITY OPERATIONS</u>				
Energy Efficiency Program	73,083.02	220,269.48	1,292,000.00	17.05%
Telemetry charges	4,439.42	7,604.12	100,000.00	7.60%
Meter testing supplies	131.43	3,095.90	20,000.00	15.48%
Mobile Generation	11,086.30	17,649.80	170,000.00	10.38%
Other	0.00	0.00	900,000.00	0.00%
Total Other Utility Operations	88,740.17	248,619.30	2,482,000.00	10.02%
<u>ADMINISTRATION AND GENERAL</u>				
Professional salaries	475,245.58	905,462.96	5,059,000.00	17.90%
Telephone	253.94	1,970.54	42,000.00	4.69%
Postage	361.91	755.41	7,000.00	10.79%
Photocopying and fax	1,247.49	2,200.68	18,000.00	12.23%
Office supplies	1,826.16	4,131.30	25,000.00	16.53%
Computer service and supplies	13,940.68	28,977.51	260,000.00	11.15%
Automobile	1,702.52	3,874.37	32,000.00	12.11%
Utilities	3,710.67	6,880.34	50,000.00	13.76%
Membership dues	51,925.36	104,895.72	633,000.00	16.57%



Illinois Municipal Electric Agency

SCHEDULE OF OPERATING EXPENSES

	One Month Ended <u>June 30, 2024</u>	Two Month(s) Ended <u>June 30, 2024</u>	Budget Year Ended <u>April 30, 2025</u>	Percent of Budget Expended as of <u>June 30, 2024</u>
<u>ADMINISTRATION AND GENERAL CONTINUED</u>				
Library	\$512.25	\$1,024.50	\$4,000.00	25.61%
Travel	1,019.18	1,755.48	23,000.00	7.63%
Room rentals	2,980.79	4,779.59	34,000.00	14.06%
Meals	2,751.05	5,374.44	23,000.00	23.37%
Courses, programs and seminars	975.00	2,399.00	51,000.00	4.70%
Outside services				
Legal				
General Counsel-Litigation Support	0.00	0.00	0.00	0.00%
Special counsel	0.00	0.00	25,000.00	0.00%
Other	0.00	0.00	100,000.00	0.00%
Negotiations	0.00	0.00	250,000.00	0.00%
Engineering				
Outside engineering	41,470.48	83,279.30	563,000.00	14.79%
Other				
Financial services	56,517.36	64,292.36	205,000.00	31.36%
Legislative consultant	0.00	0.00	3,000.00	0.00%
Installation and repair	0.00	5,110.00	17,000.00	30.06%
Janitorial	1,700.00	3,400.00	24,000.00	14.17%
Building and grounds maintenance	6,630.45	11,767.03	63,000.00	18.68%
Other services employed	13,337.96	22,001.67	163,000.00	13.50%
Insurance				
Property	5,370.42	10,346.34	66,000.00	15.68%
Automobile	270.16	1,083.32	15,000.00	7.22%
Liability	21,081.66	40,723.49	275,000.00	14.81%
Pensions and benefits				
Life insurance	1,087.40	2,280.22	14,000.00	16.29%
Health insurance	68,044.04	149,205.10	1,050,000.00	14.21%
Retirement	118,811.54	226,365.95	1,265,000.00	17.89%
Unemployment	0.00	0.00	0.00	0.00%
FICA - Medicare portion	6,891.15	13,112.75	74,000.00	17.72%
Disability insurance	1,899.07	4,077.18	30,000.00	13.59%
Workers compensation insurance	1,050.83	2,101.66	15,000.00	14.01%
Accrued vacation and sick	(100,203.08)	(135,072.14)	125,000.00	-108.06%
Miscellaneous general expenses				
General advertising	674.97	674.97	10,000.00	6.75%
Annual Report / Informational	0.00	0.00	8,000.00	0.00%
Member informational seminars	0.00	0.00	12,000.00	0.00%
B.O.D. Washington rally	7,875.01	8,150.01	85,000.00	9.59%
B.O.D. Regular meeting meals	1,209.22	1,209.22	13,000.00	9.30%
B.O.D. Generation Tour	0.00	0.00	5,000.00	0.00%
B.O.D. Annual meeting	0.00	49,474.71	45,000.00	109.94%
Sundry and bank service charges	0.00	0.00	1,000.00	0.00%
Property taxes	45,395.42	90,790.84	90,000.00	100.88%
Abandoned Project Costs	0.00	0.00	0.00	0.00%
Total Administrative and General	<u>857,566.64</u>	<u>1,728,855.82</u>	<u>10,872,000.00</u>	<u>15.90%</u>
<u>DEPRECIATION AND DEPLETION EXPENSE</u>	<u>3,031,257.43</u>	<u>6,066,279.83</u>	<u>38,424,000.00</u>	<u>15.79%</u>
TOTAL OPERATING EXPENSES	<u><u>\$23,062,673.48</u></u>	<u><u>\$42,345,115.74</u></u>	<u><u>\$283,515,000.00</u></u>	<u><u>14.94%</u></u>



Illinois Municipal Electric Agency

SCHEDULE OF MONTHLY INVESTMENT ACTIVITY

	Revenue Fund	O & M Fund	Healthcare Account	Renewals & Replacements Fund	-----General Reserve Fund----- Gen. Reserve Account	Rate Stabil. Account	PNC LOC Account	Common Bond Debt Service Reserve	Sub-Total Interest Rec.	Sub-Total Cash & Invest.
Balance at June 1, 2024:										
Cash	\$0.00	\$51,852,620.30	\$198,969.51	\$12,429.06	\$11,322,783.77	\$10,403,435.05	\$0.00	\$369,435.96		\$74,159,673.65
US Treasury Notes & Bonds	0.00		0.00	317,027.69		35,096,564.95		39,026,831.37		74,440,424.01
US Government Agencies				1,993,940.00		0.00		8,862,952.14		10,856,892.14
Interest Earned				22,534.64	176,810.38		0.00	232,636.48		431,981.50
Interest Receivable	0.00	69,869.12	0.00						69,869.12	
Total Funds	0.00	51,922,489.42	198,969.51	2,345,931.39	11,499,594.15	45,500,000.00	\$0.00	48,491,855.95	69,869.12	159,888,971.30
Add (Deduct):										
Cash Receipts	26,396,365.82	(67,816.56)	0.00							26,328,549.26
Payments of Expenses	0.00	(18,628,675.70)	(8,725.64)							(18,637,401.34)
Transfers From/To Other Accts.	(26,396,365.82)	20,122,842.98	0.00	(111.43)	0.00	0.00	0.00	(334,287.25)		(6,607,921.52)
Interest Income	0.00	204,051.00	0.00	9,494.94	237,954.51		0.00	169,211.83		620,712.28
Interest Receivable	0.00	67,816.56	0.00				0.00		67,816.56	69,869.12
Unrealized Gain/(Loss) on Investments	0.00	0.00	0.00	237.99	15,892.60	0.00	0.00	171,675.81		187,806.40
Transfer to Refunding Escrow								0.00		0.00
Reimbursement of Project Costs		0.00								0.00
Payment of Principal & Interest							0.00			0.00
Balance at June 30, 2024	\$0.00	\$53,620,707.70	\$190,243.87	\$2,355,552.89	\$11,753,441.26	\$45,500,000.00	\$0.00	\$48,498,456.34	\$67,816.56	\$161,850,585.50
Composition of June 30, 2024 Balance:										
Cash	\$0.00	\$53,552,891.14	\$190,243.87	\$12,373.10	\$11,482,210.68	\$10,340,810.16	\$0.00	\$36,542.32		\$75,615,071.27
US Treasury Notes & Bonds	0.00		0.00	318,383.17		35,159,189.84		39,167,334.25		74,644,907.26
US Government Agencies				1,994,140.00		0.00		8,907,721.62		10,901,861.62
Interest Earned				30,656.62	271,230.58		0.00	386,858.15		688,745.35
Interest Receivable	0.00	67,816.56	0.00						67,816.56	
Total Funds	\$0.00	\$53,620,707.70	\$190,243.87	\$2,355,552.89	\$11,753,441.26	\$45,500,000.00	\$0.00	\$48,498,456.34	\$67,816.56	\$161,850,585.50



Illinois Municipal Electric Agency

SCHEDULE OF MONTHLY INVESTMENT ACTIVITY

	Sub-Total Interest Receivable	Sub-Total Cash & Invest.	2009C -----Debt Service Fund-----		2010A -----Debt Service Fund-----		2015A Debt Service Account	Petty Cash	Total Interest Rec.	Total Cash & Invest.
			Debt Service Account	Debt Service Reserve	Debt Service Account	Debt Service Reserve				
Balance at June 1, 2024:										
Cash		\$74,159,673.65	\$88,306.84	\$177,520.58	\$39,619.05	\$123,906.45	\$246,290.57	\$500.00		\$74,835,817.14
US Treasury Notes & Bonds		74,440,424.01	7,665,848.41	6,598,523.61	3,347,081.90	8,206,873.01	16,603,334.71			116,862,085.65
US Government Agencies		10,856,892.14	0.00	12,281,802.56	0.00	0.00	0.00			23,138,694.70
Interest Earned		431,981.50	5,670.83	147,743.64	1,931.51	57,803.36	57,876.15			703,006.99
Interest Receivable	69,869.12								69,869.12	0.00
Total Funds	\$69,869.12	159,888,971.30	7,759,826.08	19,205,590.39	3,388,632.46	8,388,582.82	16,907,501.43	500.00	69,869.12	215,539,604.48
Add (Deduct):										
Cash Receipts		26,328,549.26								26,328,549.26
Payments of Expenses		(18,637,401.34)						0.00		(18,637,401.34)
Transfers From/To Other Accts.		(6,607,921.52)	1,902,361.31	(149,898.58)	830,720.82	(106,633.62)	4,131,371.59			0.00
Interest Income		620,712.28	36,633.22	63,874.24	16,008.22	30,299.59	79,362.53			846,890.08
Interest Receivable	67,816.56	69,869.12							67,816.56	69,869.12
Unrealized Gain/(Loss) on Investments		187,806.40	(2,661.16)	22,283.33	(1,151.84)	10,493.01	(5,892.19)			210,877.55
Transfer to Refunding Escrow		0.00	0.00	0.00	0.00	0.00	0.00			0.00
Reimbursement of Project Costs		0.00								0.00
Payment of Principal & Interest		0.00	0.00		0.00		0.00			0.00
Balance at June 30, 2024	\$67,816.56	\$161,850,585.50	\$9,696,159.45	\$19,141,849.38	\$4,234,209.66	\$8,322,741.80	\$21,112,343.36	\$500.00	\$67,816.56	\$224,358,389.15
Composition of June 30, 2024 Balance:										
Cash		\$75,615,071.27	\$89,368.43	\$77,059.46	\$40,488.01	\$17,589.94	\$247,293.32	\$500.00		\$76,087,370.43
US Treasury Notes & Bonds		74,644,907.26	9,588,851.16	6,610,495.41	4,186,568.98	8,217,589.51	20,769,207.12			124,017,619.44
US Government Agencies		10,901,861.62	0.00	12,289,959.68	0.00	0.00	0.00			23,191,821.30
Interest Earned		688,745.35	17,939.86	164,334.83	7,152.67	87,562.35	95,842.92			1,061,577.98
Interest Receivable	67,816.56	0.00							67,816.56	
Total Funds	\$67,816.56	\$161,850,585.50	\$9,696,159.45	\$19,141,849.38	\$4,234,209.66	\$8,322,741.80	\$21,112,343.36	\$500.00	\$67,816.56	\$224,358,389.15

Balance Sheet Classifications:

Restricted Investment Accounts	\$111,005,759.99
Cash and Cash Equivalents	75,579,028.95
Temporary Investments	37,773,600.21
	<u>\$224,358,389.15</u>

Interest Receivable

\$67,816.56



Illinois Municipal Electric Agency

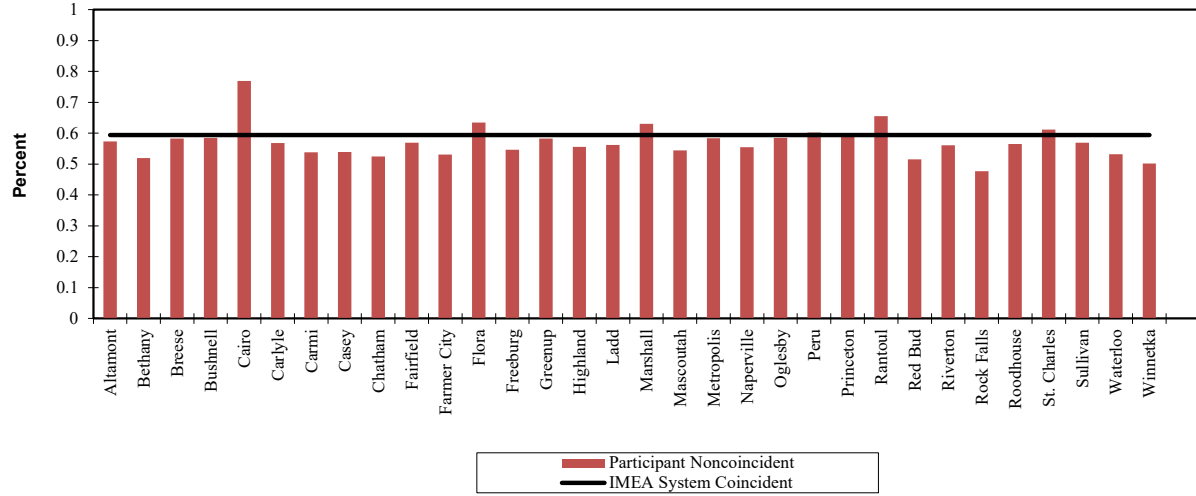
SCHEDULE OF DEBT COVERAGE(110%)

	One Month Ended June 30, 2024	Total Last 12 Months
REVENUES		
Sales for resale	\$30,649,586	\$305,644,227
Membership assessments	0	0
Other utility operations	(15,788)	10,227,938
Other non-utility operations	0	63,382
Interest income	902,837	10,059,844
Interest income used for Debt Service		0
2006 Debt Service Reserve Fund	0	0
2007A Debt Service Reserve Fund	0	0
2009ABC Debt Service Reserve Fund	0	0
2010A Debt Service Reserve	0	0
Federal BABS Revenue	553,578	6,778,180
Rate stabilization transfer	0	0
Total Revenue	\$32,090,214	\$332,773,571
OPERATIONS AND MAINTENANCE EXPENSES		
Purchased power	\$7,282,712	\$56,121,623
Transmission	4,923,479	50,143,144
Trimble County Units 1 & 2:		0
Fuel	1,855,321	23,333,418
Operations and maintenance	566,046	8,525,975
Prairie State Generating Company:		0
Fuel	1,536,549	21,297,295
Operations and maintenance	2,047,346	31,753,384
Member Payments:		0
Fuel reimbursements	193,695	1,232,623
Capacity payments	676,543	8,302,374
Generation payments	3,417	12,318
Other utility operations	88,740	1,889,026
Administration and general	857,567	9,246,265
Other	0	0
Total Operations and Maintenance Expenses	\$20,031,416	\$211,857,447
NET REVENUES	\$12,058,798	\$120,916,124
DEBT SERVICE (See calculation below)	\$7,392,660	\$88,978,942
COVERAGE PERCENTAGE	163.12%	135.89%
CUMULATIVE COVERAGE PERCENTAGE (Fiscal Year 2024-2025)	148.51%	
DEBT SERVICE		
Accrued interest-2006 bonds	\$0	\$0
Principal installment-2006 bonds	0	0
Accrued interest-2007A bonds	0	0
Principal installment-2007A bonds	0	0
Accrued interest-2007C bonds	0	0
Principal installment-2007C bonds	0	0
Accrued interest-2009A bonds	0	0
Principal installment-2009A bonds	0	0
Accrued interest-2009C bonds	1,099,639	13,729,306
Principal installment-2009C bonds	1,165,417	13,637,916
Accrued interest-2010A bonds	499,588	6,208,381
Principal installment-2010A bonds	495,833	5,812,915
Accrued interest-2015A bonds	1,626,350	20,351,678
Principal installment-2015A bonds	2,505,833	29,238,746
Debt Service	\$7,392,660	\$88,978,942

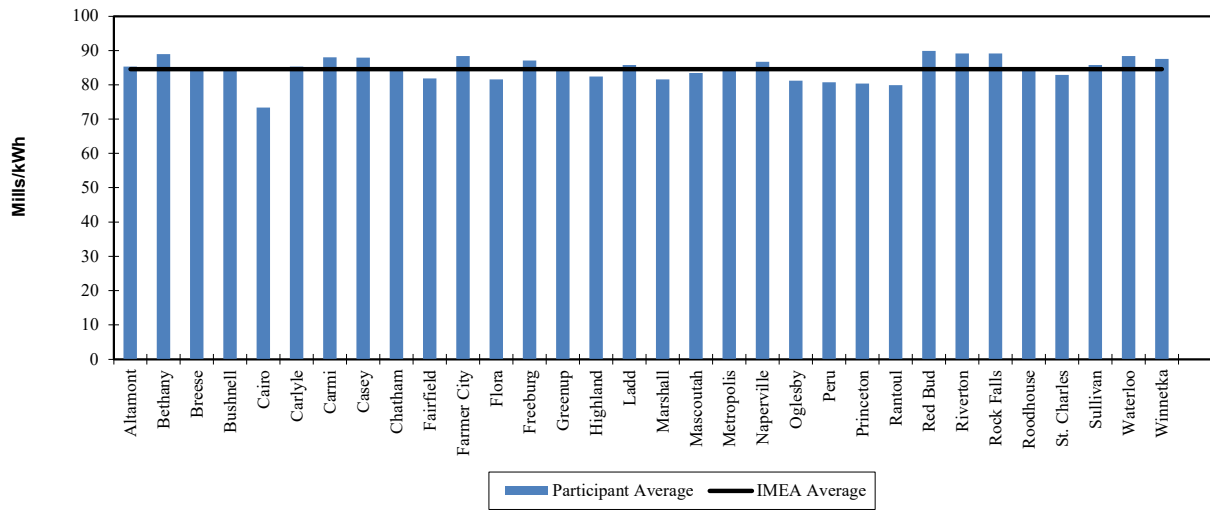


Illinois Municipal Electric Agency

Participant Load Factor June 2024



Participant Average Cost June 2024



Note: Actual peak demand and energy consumption is shown in the monthly operations report.
Average Cost does not reflect capacity credits to participants.